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Eucalyptus Grove Homeowners Association

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DRAFT 2

RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

EUCALYPTUS GROVE HOMEOWNERS ASSOCIATION

a California nonprofit mutual-benefit corporation

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FIRST RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

EUCALYPTUS GROVE HOMEOWNERS ASSOCIATION

a California nonprofit mutual-benefit corporation

THIS FIRST RESTATED Declaration of Covenants, Conditions and Restrictions (“CC&Rs”) is made by all Persons who own Units in that certain real property condominium development known as “Eucalyptus Grove” located in Santa Barbara County, California. These CC&Rs apply to and bind all properties previously covered by covenants, conditions and restrictions. Without reducing the number of properties covered by these CC&Rs, these CC&Rs applies to the following properties:

Lots 1 through 3, inclusive, of Tract Map 13,421 in the County of Santa Barbara, State of California, according to the map thereof filed in Book 127, pages 55 and 56 of Maps in the Office of the County Recorder of said County.

By this instrument, except for any recorded covenants affecting only a single Unit in the properties covered by these CC&Rs, the Members of the Association hereby fully amend and restate, in their entirety, all previous declarations of covenants, conditions and restrictions recorded on August 1, 1985, as Document No. 1985-040003 in the Office of the Recorder for Santa Barbara County, as well as all amendments and supplements to such CC&Rs and substitute in their place these CC&Rs, which:

1. *Benefit Members.* Are for the benefit of Members of the Association;
2. *Benefit the Development.* Are for the benefit, enhancement and protection of the desirability, value and attractiveness of the Development and each Unit therein;
3. *Bind Successors in Interest.* Inure to the benefit of and are binding upon each successor in interest of the Association, each Member, Tenant, Resident, and occupant of any portion of the Development, as well as their respective heirs, personal representatives, grantees, Tenants, licensees, successors and assigns; and
4. *Run with the Land.* Run with the land and be binding upon all parties having or acquiring any right, title or interest in the Development or any portion of the Development, whether as sole Owners, joint Owners, Tenants, Residents, occupants or otherwise.

NOW, THEREFORE, all Units in the Development, as well as any conveyance, transfer, sale, assignment, rental, lease or sublease of a Unit, are deemed to incorporate the provisions of these CC&Rs. Each successor in interest is subject to all covenants, conditions, and restrictions in these CC&Rs.

ARTICLE 1: DEFINITIONS

- 1.1 “Annual Meeting” means the annual meeting of the Members of the Association.
- 1.2 “Architectural Standards” means those rules and guidelines which govern the making of physical changes, alterations, repairs or improvements to Units, Common Areas and Exclusive Use Common Areas.
- 1.3 “Articles” means the Association’s Articles of Incorporation.
- 1.4 “Assessment” means any Regular Assessment, Special Assessment, Reimbursement Special Assessment, or any other assessment levied, imposed, or assessed against a Member’s Unit under the provisions of the Governing Documents or applicable law.
- 1.5 “Association” means the Eucalyptus Grove Homeowners Association, a California nonprofit, mutual-benefit corporation. When the context requires, the Association includes its Officers, Directors, employees and agents.
- 1.6 “Balcony” refers to a balcony attached to a Unit and accessible through the Unit.
- 1.7 “Board” or “Board of Directors” means the Board of Directors of the Association.
- 1.8 “Budget” means a projection or estimation of the Association’s income and expenses for a twelve (12) month period.
- 1.9 “Building” means any building or structure which is part of the Improvements of the Development.
- 1.10 “Bylaws” means the duly adopted Bylaws of the Association, including any amendments.
- 1.11 “CC&Rs” means this First Restated Declaration of Covenants, Conditions and Restrictions and any amendments to these CC&Rs.
- 1.12 “Committee” means any committee appointed by the Board to assist in the management and administration of the affairs of the Association.
- 1.13 “Common Area” means the entire Development, except the Separate Interests owned by Members.
- 1.14 “Common Expenses” means the costs, expenses and charges in connection with maintaining, managing, insuring, operating, repairing, improving or replacing the Common Areas or managing the affairs of the Association. Common Expenses include, but are not limited to, those amounts reasonably necessary for Reserves.

1.15 “Condominium” means a condominium, as defined in the Davis-Stirling Act.

1.16 “Condominium Plan” means the diagrammatic descriptions of the Development that identifies the boundaries of Units, some or all of the Exclusive Use Common Areas and the Common Area as recorded in the Office of the Recorder of Santa Barbara County and any amendments thereto.

1.17 “Davis-Stirling Act” means and refers to the Davis-Stirling Common Interest Development Act, which is the portion of the California Civil Code beginning with Section 4000 that governs common interest developments.

1.18 “Decorate” means for a Member to make improvements which are not visible to other Members, do not penetrate walls, ceilings or floors, do not add hard-surfaced flooring to Balconies, Patios or Units, do not increase acoustical transmission to surrounding Units or Common Areas, or require permits from applicable governmental authorities.

1.19 “Development” means that certain residential development known as “Grove HOA” and is located at 7602-7640 Hollister Avenue, Goleta, California.

1.20 “Director” means any member of the Association’s Board of Directors.

1.21 “Exclusive Use Common Areas” includes but is not limited to the following:

- a. Those portions of the Common Area that serve a single Unit.
- b. All Utility Lines or portion thereof when removal would interrupt service to only a single Unit.
- c. All Balconies, Patios and Heating Areas as shown on and defined in the Condominium Plan

1.22 “Governing Documents” means these CC&Rs and any other documents which govern the operation of the Association, including, but not limited to, the Articles of Incorporation, Bylaws, Architectural Standards, Condominium Plan, Rules and Regulations, and Election Rules, as may be amended from time to time.

1.23 “Heating Area” means the area located above the highest interior finished ceiling of certain Units as shown on and defined in the Condominium Plan.

1.24 “Improvements” means all buildings and other structures located within the Development, including, but not limited to, streets, sidewalks, and utilities.

1.25 “Lender” means the holder of a first mortgage or deed of trust given by a Member (or his/her predecessor in interest), the lien of which mortgage or deed of trust is superior to all other monetary encumbrances, except real property taxes and assessments.

1.26 “Maintenance Responsibility Chart” means the list of maintenance, repair, and replacement responsibilities attached as Exhibit “A.”

1.27 “Manager” means any person or company employed or retained by the Association to oversee the operation, maintenance, and management of the Association.

1.28 “Member” means the Owner, whether one or more Persons, of a Condominium within the Development as evidenced by a publicly-recorded deed to the Condominium, but excluding any Person or Persons having such an interest in the Condominium merely as security for the performance of an obligation. Membership is appurtenant to and may not be separated from the record fee ownership of a Condominium and may not be transferred, encumbered, pledged, alienated, or otherwise separated in any way, except in connection with the record sale of a fee interest of the Condominium to which it is appurtenant. Where the CC&Rs impose restrictions on Member, the restriction also applies to Member’s Tenants, and Member’s and Tenant’s family, guests and invitees.

1.29 “Membership Approval” or “Approval of the Membership” means approved or ratified by an affirmative vote of a majority of the votes represented and voting in a duly held election in which a Quorum is represented, which affirmative votes also constitute a majority of the required Quorum unless otherwise provided in the Governing Documents.

1.30 “Mortgage” means a deed of trust.

1.31 “Mortgagee” means a beneficiary (or its assignee) under a deed of trust to a Condominium, and the term “First Mortgagee” refers to a beneficiary (or its assignee) under a deed of trust to a Condominium with priority over all other Mortgagees and deeds of trust.

1.32 “Officer” means the president, vice-president, secretary, treasurer, and any other officer of the Association, as defined in the Bylaws.

1.33 “Operating Accounts” means any account into which the Association’s Assessments are deposited and out of which the Association’s operational expenses are paid.

1.34 “Owner” means the owner, whether one or more Persons, of the publicly-recorded fee title to any Condominium within the Development, but excluding any Person or Persons having such an interest in the Condominium merely as security for the performance of an obligation.

1.35 “Parking Space Lease” means that certain Agreement and Grant of Easement recorded on December 18, 1985, as Document No. 1985-068072, in the official records of the Office of the County Recorder of Santa Barbara County, as amended from time to time.

1.36 “Parking Areas” includes those portions of the Development used for parking vehicles.

1.37 “Patio” refers to a patio attached to a Unit and accessible through the Unit.

1.38 “Percentage Interest” means that undivided percentage ownership of the Common Area assigned to each Unit.

1.39 “Person” means a natural person, corporation, partnership, trust, association, or other entity, as recognized by law.

1.40 “Quorum” is defined in the Association’s Bylaws.

1.41 “Regular Assessments” means assessments other than Special Assessments and Reimbursement Assessments, levied or imposed against Members to perform the Association’s obligations under the Governing Documents or the law.

1.42 “Reimbursement Special Assessments” or “Reimbursement Assessments” means those Special Assessments levied against Members for expenses incurred by the Association arising out of: (i) actions or omissions of Members, Tenants or their respective family, guests, invitees, vendors, or pets; (ii) materials or services provided to Members, Tenants or their respective family, guests, invitees, or pets; or (iii) conditions originating in a Unit.

1.43 “Renovation” means any improvements, additions, alterations, or modifications made by a Member in or to any Unit, Common Area, or Exclusive Use Common Area.

1.44 “Reserves” or “Reserve Accounts” means those monies set aside in a separate account for anticipated long-term maintenance, repair, replacement and restoration of major Common Area components of the Development or Improvements upon the Common Areas, and any other obligations of the Association that is authorized by either the Governing Documents or law.

1.45 “Residence” means a person’s home, the place where someone lives.

1.46 “Resident” means any Person in actual possession of all or any portion of a Unit.

1.47 “Rules and Regulations” or “Rules” means the rules and regulations adopted by the Board to interpret and implement the Governing Documents and for the orderly conduct of the business of the Association.

1.48 “Separate Interest” means an individual Unit.

1.49 “Special Assessments” means assessments levied from time to time against Members if at any time during the fiscal year the Regular Assessments are inadequate to perform the Association’s obligations under the Governing Documents or the law, including, but not limited to, Common Area maintenance, repairs, replacements, unexpected expenses, capital improvements, and emergency repairs.

1.50 “Tenant” or “Lessee” means a Person who has been given the right to temporary use and occupancy of a Unit owned by a Member, whether such right to occupy and use is granted by a lease, rental agreement, license, or any other writing and whether consideration is paid in the form of money or any other tangible or intangible thing of value.

1.51 “Unit” means those elements of a Condominium which are not owned in common with the Owners of other Condominiums in the Development and as described by in the Condominium Plan and includes easements over the Common Area for the Patios, Balconies and Heating Areas as shown and defined in the Condominium Plan.

a. *Boundaries.*

- i. The lower vertical boundary of each airspace is the surface of the finished floor.
- ii. The upper vertical boundary of each airspace is the horizontal plane, which coincides with the elevation of the highest interior finished ceiling surface therein, or the inclined plane that coincides with the interior finished ceiling surface within each unit as shown on the Condominium Plan.
- iii. The lateral boundaries are the interior surfaces of the perimeter walls, floors, ceilings, windows, and doors.
- iv. When interpreting deeds and plans, the existing physical boundaries of a Unit, or a Unit reconstructed in substantial accordance with the Condominium Plan, are conclusively presumed to be its boundaries, rather than the metes and bounds, or other description, expressed in the deed or Condominium Plan, regardless of settling or lateral movement of a building and regardless of minor variance between boundaries shown on the Condominium Plan or in the deed and those of a building.

- b. *Inclusions.* The following are part of each individual Unit: (i) the airspace and all improvements to and within the airspace encompassed by the finished interior surfaces of the perimeter walls, floors, ceilings, windows and doors, including, but not limited to, paint, wall coverings, carpet and padding, hard-

surfaced flooring, cabinets and counters, electrical fixtures, plumbing fixtures, and interior walls, (ii) the unfinished interior surfaces of the perimeter walls, floors, ceilings, windows and doors themselves, and (iii) electrical switches and outlets located within the Unit.

- c. *Exclusions.* The following are not part of an individual Unit and are deemed to be part of the Common Area: bearing walls, columns, horizontal supports, vertical supports, floors, ceilings, foundations, patio walls, steps and railing, exterior lighting fixtures, pipes, ducts, flues, chutes, conduits, wires and other utility installations, wherever located, except for the outlets thereof when located within the Unit.

1.52 “Utility Lines” means sewer lines, storm drains, water pipes, electricity lines, gas lines, telephone lines or cables, television cables, satellite dish cables, heating, conduits, ducts, flues, fiber optic cables, data lines, and other similar lines, pipes, cables, ducts, flues, and conduit pipes.

1.53 “Voting Power” means the total number of Units entitled to vote.

1.54 Definitions of other Terms. Unless the context clearly requires otherwise, all other terms are defined in the Davis-Stirling Act.

ARTICLE 2: MEMBERSHIP RIGHTS AND PRIVILEGES

2.1 Membership. Each Person is automatically a Member of the Association upon obtaining a publicly-recorded fee title ownership interest in a Unit and remains a Member until he or she ceases to have such recorded fee ownership interest in a Unit.

- a. *Membership Appurtenant to Condominiums.* Membership in the Association is for the benefit of and appurtenant to the Condominium to which it relates and may not be separated from the ownership of the Condominium.
- b. *No Membership for Security Interests.* Membership does not include Persons who hold an interest in a Condominium merely as security for the performance of an obligation.
- c. *No Membership for Tenants.* Tenants have the same rights to use the Common Areas as Members and have the same duties to follow the Association’s Governing Documents but are not Members and have no right to vote.
- d. *No Separate Transfer of Membership.* No Member may transfer, pledge, or alienate in any way his/her membership in the Association, except upon the recorded transfer of the fee interest in the Condominium to which it is appurtenant and then only to the transferee of such fee interest.

- e. *Trusts*. If title to a Separate Interest is held in the name of one or more trustees, subject to a trust, a sole trustee or one of several trustees is authorized to exercise the rights and privileges of Association membership. The designation of one of several trustees must be in writing with documentation confirming both the designation and the authority of the designator to do so.
- f. *Impersonal Entities*. If title to a Separate Interest is held by a legal entity that is not a natural person, the governing authority of that legal entity shall have the power to appoint a natural person who is authorized to exercise the rights and privileges of Association membership. The designation by the impersonal legal entity must be in writing with documentation confirming both the designation and its authority to do so.

2.2 Proof of Ownership. Proof of membership must be in the form of a recorded deed showing fee ownership of a Condominium.

2.3 Voting Rights. In all matters submitted for a membership vote, Members are entitled to one (1) vote per Condominium (regardless of the number of Members having an interest in the Condominium).

2.4 Inspection of Records. Members have the right to inspect records of the Association as provided for in the Bylaws and by law.

2.5 Ingress, Egress and Support. Members have a nonexclusive easement appurtenant to and for the benefit of their Units for ingress, egress, and support over, across and through the Common Area and every portion of any Unit required for the structural support of the Unit.

2.6 Easement for Use and Enjoyment. Members have a nonexclusive easement of use and enjoyment of the Common Areas, subject to the rights of the Association as described in the Governing Documents and the Association's right to reasonably limit the number of guests of Members.

2.7 Encroachment Easement. Members agree that minor encroachments of the Common Area on Units or of Units on the Common Area or other Units are permitted, and that valid easements for the encroachments exist. Such minor encroachments are not encumbrances on either the Units or the Common Area.

ARTICLE 3: MEMBERSHIP OBLIGATIONS

3.1 Obligation to Follow Governing Documents. Members, Tenants and Residents must follow the Association's Governing Documents and ensure their respective family, guests, and invitees abide by the Governing Documents.

3.2 Security. Neither the Association nor any Officer, Director, Committee member, employee or agent of the Association are insurers or guarantors of any level of security within the Development. Members are responsible for their security and must take appropriate measures to ensure their security and the security of their family, guests, invitees and Tenants. Members agree not to rely on any security measures provided by the Association. The Association, its Officers, Directors, Committee members, employees and agents are not liable for any loss or damage from failure to provide adequate or effective security measures.

3.3 Purchase Subject to Violations. Buyers take ownership of Units subject to any violations by prior Members, Tenants or their respective family, guests, invitees, or pets, of the Governing Documents concerning the Unit, whether the seller of the Unit disclosed such violations and whether the Association knew of the violations at the time of sale. Such buyers are liable for correcting such violations upon demand by the Association. Assessments, fines, and other charges not secured by a lien on the Unit before the transfer of title are exempt from this provision.

3.4 Obligation to Provide Telephone Number. Members and Tenants must provide the Association with a current telephone number to be reached in an emergency.

3.5 Notice of Transfer of Ownership. No later than five (5) days after the assignment, sale, quitclaim or other transfer of their Units, Members must notify the Association of the name, address, phone number, and email address of the transferee and the nature of the transfer.

3.6 Duty to Maintain, Repair, and Replace. A Maintenance Responsibility Chart is attached as Exhibit "A" to these CC&Rs. Except for those duties specifically assigned to the Association by these CC&Rs, Members must, at their sole expense, maintain, repair, and replace improvements to their Units, as well as Exclusive Use Common Areas servicing their Units. Members' obligations include, without limitation, the following:

- a. *Interior Walls and Partitions*. The walls and partitions inside Members' Units, excluding the perimeter walls and any internal load-bearing walls.
- b. *Wall, Ceiling and Floor Coverings*. All drywall and insulation in and around the Unit, all interior surfaces of walls (including perimeter and load-bearing walls), ceilings, floors, windows and doors, all plaster, paint, wallpaper, paneling, fabrics, mirrors, carpets, rugs, linoleum, hardwoods, marble, granite, tile, window coverings, and any other materials used to Decorate the interior surfaces of the Unit.
- c. *Windows*. With respect to windows and window frames bounding a Member's Unit:
 - i. *Cleaning*. Members must keep the interior and exterior of their windows clean.

- ii. **Glass.** Members must maintain, repair and replace window glass with the color, quality and style specified by the Association, or if unspecified, with the same as that being replaced.
- iii. **Frames and Screens.** Members must maintain, repair and replace window frames, window screens, and all parts and hardware, using the material, color, quality and style specified by the Association, or if unspecified, with the same as that being replaced.
- iv. **Waterproofing, Sealing and Leaks.** Members are responsible for maintaining, repairing and replacing all weather stripping and waterproofing on the windows, including (1) the seal between the glass and the frame, (2) the seal between the frame and the building structure. Members must repair all leaks through the windows, whether due to broken glass, failed seals, damaged frames, worn-out weather stripping or otherwise.
- d. ***Doors.*** The doors, screen doors, frames, thresholds, weather stripping, locks, and related hardware.
- e. ***Cabinets, Countertops and Appliances.*** All cabinets, counter tops, and appliances, including refrigerators, stoves, ovens, dishwashers, garbage disposals, microwaves, washers and dryers, and the like.
- f. ***Heating and Heating Areas.*** The Heating Area and all mechanical heating equipment, heat exchangers, drip pans, valves, thermostats, compressors, control equipment, and any other mechanical equipment exclusively servicing the Unit.
- g. ***Electrical, Communications, and Cable.*** All telephones, telephone lines, internet and data lines, electrical wiring, light fixtures, electrical outlets, circuit breakers, switches, cable and other lines exclusively servicing a single Unit.
- h. ***Plumbing and Gas.*** All plumbing equipment, including plumbing fixtures, toilets, faucets, bathtubs, tub and shower valves, shower pans, drain lines, sewer lines, water lines, angle stops, garbage disposals, water heaters, etc., which exclusively service the Unit. All gas lines exclusively servicing the Unit.
- i. ***Washers and Dryers.*** All plumbing, ducts, Utility Lines and exterior laundry enclosures that exclusively service a Unit's washing machine and dryers, including but not limited to the water supply lines, vents, and exhaust fans.
- j. ***Utility Lines.*** All Utility Lines that exclusively service the Unit.

- k. *Balconies and Patios.* The Balconies and Patios, as provided for in the Article in these CC&Rs entitled “Balconies and Patios.”
- l. *Fireplaces.* Fireplaces elements located inside the Unit, including fireplace mantles, fireboxes, flues and chimneys, are the Unit Owner’s responsibility to maintain, repair, and replace. The chimney exterior, the chimney cap, and the chase cover are the Association’s responsibility to maintain, repair, and replace. From time to time, the Association may inspect fireboxes in Units. If it is determined that a Member’s firebox needs repair or replacement, the Member must immediately cease using the firebox and have it repaired or replaced at the Unit Owner’s expense or eliminated (and walled over), so it cannot be used.
- m. *Storage Areas.* The storage area that serves a single Unit, if any.
- n. *Improvements.* All improvements or alterations to a Unit or its Exclusive Use Common Areas by any party other than the Association.
- o. *Skylights.* Members must maintain, repair, and replace skylights that benefit their Units.

3.7 Easement for Maintenance. Each Member has easements across Units and Common Areas as necessary for installing, maintaining, repairing, or replacing Utility Lines that cannot reasonably be serviced from their Units. Access to Units and Common Areas is limited to a reasonable work area and for a reasonable time. Except in emergencies, reasonable notice and consent to perform such work, which may not be unreasonably withheld, must be obtained from the affected Unit Owner or the Association, as applicable. Immediately after the work is completed, Members must restore affected Units or the Common Areas to the same or better condition than before the commencement of such work. Such restoration work on affected Units and Common Areas must be done promptly at the sole expense of the Member performing the installation, repair, or maintenance work.

3.8 Water Damage and Mold.

- a. Each Member is responsible for the maintenance, repair and replacement of items within the interior of his or her Unit and Exclusive Use Common Area, including, but not limited to, cabinets, fixtures, appliances, flooring, and personal property, any property may be damaged from water that may leak or flow into the Unit or Exclusive Use Common Area from within the Unit, the Building, or the Common Area, unless a court, arbitrator or other tribunal determines that was caused by the gross negligence or intentional misconduct of the Association, its Board, Officers, or designated agents.
- b. Each Member, and not the Association, is liable for water damage and mold in and to Units, Common Areas, and Exclusive Use Common Areas, and any

personal property: (i) negligently caused by the Member, Member's Tenant or their respective family, guests, or invitees, vendors, or (ii) caused by Member's negligent failure to mitigate damage from failing to regularly inspect and promptly report signs of water intrusion and leaks, including, but not limited, to roof, door, window and slab leaks.

- c. Each Member must regularly inspect their Unit for plumbing leaks, water accumulation, water intrusion through windows, doors, slabs and roofs, and signs of mold, and must promptly report such conditions to the Association. Members must periodically service and replace angle stops, supply lines, and drain lines to appliances, heating equipment, sinks, toilets, and the like in their Units.
- d. The Association and all Members must repair, restore or replace any water or mold damaged portions of the Development as required by these CC&Rs. Each Member is financially liable for all damage to the Common Area or other Units due to the Member's failure to promptly perform such work. The Association reserves the right to enter any Unit and Exclusive Use Common Area, as permitted by these CC&Rs, to repair, restore, remediate or replace any portion of a Unit and Exclusive Use Common Area to protect any Building and Common Area from any damage from water and mold. The Association may impose a Reimbursement Special Assessment against any liable Member for all costs incurred by the Association for such repairs, restoration, remediation or replacement. The Reimbursement Special Assessment may become a lien against the liable Member's Separate Interest enforceable by the sale of the Member's Unit under Civil Code sections 2924, 2924b, and 2924c.

3.9 Obligation to Carry Insurance. Members must purchase insurance for their Separate Interests, at their sole expense, as more fully described in the Article in these CC&Rs entitled "Insurance." The Association may confirm compliance with this section by any Member but is not required to and is specifically relieved of any responsibility or liability for not confirming compliance with this section.

3.10 Liability for Damage.

- a. Members are liable for all damage to the Units, Common Areas, including Exclusive Use Common Areas, and any personal property negligently caused by the Member, Member's Tenant, Residents, occupants, or their respective family, guests, invitees, vendors, or pets.
- b. The Association and all Members must repair, restore, remediate or replace any damaged portion of the Development as required by these CC&Rs. However, the Association may impose a Reimbursement Special Assessment against any liable Member for all costs incurred by the Association for repairs, restoration,

remediation or replacement. The Reimbursement Special Assessment may become a lien against the liable Member's Separate Interest enforceable by the sale of the Member's Unit under Civil Code sections 2924, 2924b, and 2924c.

3.11 Correction of Violations. After notice, hearing and a finding by the Association of a violation of the Governing Documents, the Association will have the right, but not the duty, to correct or cause to be corrected the violation, including entering a Unit with the permission of a Member owning the Unit, which permission will not be unreasonably withheld. All expenses incurred by the Association to correct the violation will be recovered from the Members owning the Unit as a Reimbursement Assessment following notice and a hearing. If permission for entry into the Unit is not granted, the Association may enforce the violation by any other means allowed by the Governing Documents or the law.

3.12 Reimbursement to Association. If the Association provides materials or services that benefit a particular Member, such Member must reimburse the Association for the Association's costs. If not, the Association may impose a Reimbursement Special Assessment against the Member in the amount of such costs.

3.13 Liability for Mitigation. Members are liable for expenses incurred by the Association in mitigating or repairing damage to Units, Common Areas, and Improvements due to damage: (i) originating from Member's Unit, including, but not limited to, flood, fire, mold, insect, or rodent infestation; or (ii) from the negligence or willful misconduct of such Member, Member's Tenant, or their respective family, guests, or pets. If not repaid, the Association may impose Reimbursement Special Assessments against liable Members.

3.14 Guests. Each Member is liable to all other Members and the Association for the conduct, behavior, and violations of Persons visiting the Member or Member's Tenant in the Development.

ARTICLE 4: DUTIES OF THE ASSOCIATION

4.1 Board of Directors. The management, maintenance and care of the Common Areas, management of the Association, enforcement of the Governing Documents, and all other acts of the Association are performed by its Board of Directors unless provided otherwise in the Governing Documents.

- a. *Membership Meetings.* The Association must have at least one (1) meeting of its Members each year, as provided in the Bylaws. Annual and Special Meetings of the membership must be held at the dates, times, and locations provided for in the Bylaws.
- b. *Director Qualifications and Meetings.* The qualifications of Directors and candidates to be elected to the Board are provided for in the Bylaws. Meetings of the Board must be held as provided for in the Bylaws and as required by law.

4.2 Powers of a Nonprofit Corporation. The Association has all of the powers of a nonprofit mutual-benefit corporation organized under the laws of the State of California, operating for the benefit of its Members.

4.3 Maintain Common Areas. Unless otherwise provided in these CC&Rs, including the Maintenance Responsibility Chart, the Association must maintain, repair, and replace the Common Areas including, but not limited to the swimming pool, spa, sauna, pool house, meeting room, exercise room, private streets and street lighting, public area, sidewalks, entry gates, bridge, mail kiosks, trash enclosures, access control systems, all open space and the following:

- a. *Slopes.* The Association must stabilize, maintain, repair, and replace all slopes and drainage contours throughout the Development.
- b. *Walls and Fences.* The Association must maintain, repair, and replace all Common Area fences and walls, including the perimeter walls.
- c. *Parking Areas.* The Association must maintain, repair, and replace all driveways, parking areas, carports and car wash areas.
- d. *Landscaping.* The Association must maintain, repair, and replace all landscaping except for any landscaping or vegetation within a Unit Patio.
- e. *Structures and Exteriors.* The Association must maintain, repair, and replace all foundation, structural components, exterior surfaces, roofs, common Utility Lines, gutters, downspouts and other exterior components.

4.4 Termites and Pests.

- a. *Association Rights and Obligations.* The Association may exercise any rights and authority provided for in the Davis-Stirling Act. In addition, the Association has the authority and duty to do the following:
 - i. Treat, repair and replace, at its own cost, Common Areas, and any other areas which the Association must maintain, repair or replace, infested or damaged by insects, rodents, and wood-destroying pests or organisms (including microorganisms);
 - ii. Treat, by fumigation by tenting only, Units infested by wood-destroying pests or organisms (including microorganisms);
 - iii. Treat Units infested by insects (such as ants, cockroaches, silverfish, etc., other than wood-destroying pests) and rodents.

- iv. Impose a Special Assessment against the membership for the cost of the treatment and repairs; and
 - v. Summarily remove Residents, at Residents' expense, to ensure prompt treatment and repairs in the manner provided for in the Davis-Stirling Act.
- b. *Member Obligations.* Each Member is obligated to do the following with respect to the Member's Unit:
- i. Treat, except for fumigation by tenting, at Member's expense, the portions of Member's Unit infested or damaged by wood-destroying pests or organisms (including microorganisms);
 - ii. Treat Units infested by insects (such as ants, cockroaches, silverfish, etc., other than wood-destroying pests) and rodents.
 - iii. At the Member's expense, repair and replace any damage to Member's Unit caused by the presence of wood-destroying pests or organisms (including microorganisms), other insects, and rodents.
 - iv. Comply with all legal requirements necessary to effect any fumigation by tenting requested by any fumigator, including executing any paperwork mandated by law.

4.5 Incur and Pay Expenses. The Association is empowered to incur and pay the operational expenses of the Association, which include, but are not limited to, legal and accounting services; utilities; insurance; management services; vendor services, such as security, landscaping, garbage collection, pest control, street sweeping, swimming pool maintenance, saunas, cleaning, painting, and other such services; maintenance, repair, reconstruction, and replacement of all or any portion of the Common Areas or the personal property acquired by the Association; supplies and materials; and such other services for the use, enjoyment and protection of the Development and its Residents and occupants as the Board may determine from time to time are reasonable, proper, or desirable.

4.6 Rules and Regulations. The Board may adopt, amend, and repeal Rules and Regulations regarding any matter outlined in the Governing Documents, including, but not limited to: (i) the use, occupancy, and maintenance of the Development; (ii) the general health, welfare, peace, comfort, safety and security of Residents in the Development; and (iii) the interpretation and implementation of the Governing Documents.

4.7 Foreclose, Hold Title and Make Conveyances. The Association is authorized to lien and foreclose upon any Unit for non-payment of Assessments, take title to the Unit, assume or otherwise pay off encumbrances, and acquire, hold title to, lease, and convey with or without consideration, real and personal property and interests.

4.8 Fee Limitation. The Association may not impose fees exceeding the amount necessary to defray the fees for which the fee is levied.

4.9 Commercial Concessions. The Board may negotiate contracts and grant commercial concessions over portions of the Common Area, subject to Membership Approval.

4.10 Utility and Cable Easements. The Association is hereby granted easements to enter into Units as is necessary or prudent to (i) install, maintain, repair, and replace Common Area Utility Lines; and (ii) install, operate, maintain, repair, and replace transmission lines and other facilities for high-speed internet lines or other similar systems; provided that any damage to a Member's Unit caused by such work must be repaired to original construction building standards at the Association's expense and in a timely fashion.

4.11 Granting Utility Easements. The Board is authorized to grant easements and rights of way in, under, or through the Common Areas for constructing, erecting, operating, maintaining, repairing, and replacing utilities and similar services.

4.12 Limitation on Granting Easements. Granting any Member an easement for the exclusive use of any portion of the Common Areas requires Approval of the Membership except if the easement is for any of the reasons stated in the Davis-Stirling Act.

4.13 Parking Space Lease. The Association shall comply with the terms of the Parking Space Lease and may enter into extensions, amendments or supplements to the Parking Space Lease.

4.14 Borrow Money. The Association may borrow and repay monies, as needed to discharge its duties, and pledge or assign Special Assessment rights as security for repayment of such borrowed money. Except for emergencies, the aggregate total of all loans made by the Association in a given fiscal year may not exceed five percent (5%) of the budgeted gross expenses for the same fiscal year without Membership Approval.

4.15 No Power to Encumber Real Property. The Common Area of the Association may not be encumbered as security for a debt.

4.16 Represent Association in Litigation. The Association, by its Board, may institute, defend, settle, or intervene in litigation, arbitration, mediation, administrative proceedings, or any other legal proceeding in any capacity necessary to represent the interests of the Association.

4.17 Receive and Dispose of Property. Subject to the Section of these CC&Rs entitled "Limitation on Transfer of Real Property," the Association may acquire, hold, lease, encumber, convey, or otherwise dispose of real and personal property and to take real and personal property by will, gift, bequest or any other legal transfer. Any funds or property received must be used consistently with the Association's purposes.

4.18 Limitations on Disposition of Personal Property. Without Membership Approval, the Board may not dispose of during any fiscal year personal property owned by the Association having an aggregate market value above five percent (5%) of the Association's budgeted gross expenses for that year.

4.19 Limitations on Transfer of Real Property.

- a. The Board may exchange, sell, dedicate, or otherwise transfer real property owned by the Association, but not any portion of the Common Area, only on the following conditions:
 - i. Approval by a majority of the Voting Power of the Association must first be obtained, except for the sale or other transfer of property acquired by the Association in foreclosure proceedings.
 - ii. For any exchange of real property, the property received by the Association must be of equal or greater value than the property given.
 - iii. Any dedication of property must only be to a public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Association.
 - iv. If the exchange, sale, dedication or other transfer of real property requires an amendment to the governing documents, any approval of such exchange, sale, dedication or other transfer by the Board must be conditioned upon approval of such amendment.
- b. The Common Area of the Development, or any portion thereof, is not subject to partition or sale except as provided in Civil Code §§4610 and 4630 and related case law.

4.20 Capital Improvements. The following applies to Common Area Capital Improvements:

- c. *Authority.* The Board may alter, remove or replace Common Area improvements as needed to carry out their duties.
- d. *Defined.* "Capital Improvement" means any substantial discretionary addition to the Common Areas or significant alterations to the appearance of the Development. A Capital Improvement is not defined to mean additions or upgrades to Common Area materials that are necessary or prudent to comply with building or safety codes, or to prevent property damage or personal injury, or to reduce operating or maintenance costs for the Common Areas or to comply with Reserve component repairs or replacements.

- e. *5% Limitation.* Capital Improvements may not be made to the Common Areas in any fiscal year above five percent (5%) of the Association's budgeted gross expenses for that year without Membership Approval.
- f. *Obsolescence.* If the Board determines that any Common Area Improvement is obsolete or no longer brings sufficient value to the Association to justify its upkeep, and the cost to remove the amenity is more than 5% of the budgeted gross expenses for that fiscal year, the Board must obtain Membership Approval to remove the amenity.

4.21 Vendor Contract Limitations. The Association is prohibited from entering into any contract for services which binds the Association for a period for multiple (1) year, without Membership Approval, except that the Association may enter into a contract with any public utility company if the Public Utilities Commission regulates the rates charged for the materials or services. However, the contract term with a public utility company must be for the shortest term the supplier contracts at the regular price.

4.22 Management Contract Limitations. Any agreement for professional management of the development shall be terminable by either party with or without cause and without payment of a termination fee on not more than thirty (30) days' prior written notice. The term of any such agreement shall not exceed one (1) year but may be renewed by the Board from year to year.

4.23 Delegation to Manager. The Board may delegate any of its duties, powers, or functions to any qualified Person or management company to act as Manager, except (i) attending Board meetings and voting on motions; (ii) electing officers; (iii) filling vacancies on the Board; (iv) appointment of executive committees; and (v) approving settlement agreements. Notwithstanding any delegation of duties, however, the Manager's actions are subject to the direction and supervision of the Board.

4.24 Nonprofit Character of Association. Notwithstanding anything contained in these CC&Rs to the contrary, the Association may not engage in any activity which may jeopardize the nonprofit character of the Association.

4.25 Discharge of Liens. When necessary, the Association is empowered to discharge, by payment, any lien against the Common Area and assess the cost thereof to the Member or Members responsible for the existence of the lien. Before any Board decision to discharge a lien, the Members responsible for the lien's existence must be given written notice and an opportunity to be heard by the Board and present any defenses that may exist.

ARTICLE 5: ARCHITECTURAL CONTROL

5.1 No Improvements or Alterations Without Approval. No Renovations by or on behalf of a Member in or to any Unit, Common Area, or Exclusive Use Common Area are

permitted until plans and specifications have been submitted to and approved in writing by the Architectural Committee or Board. Any Renovations which are unapproved, different from those approved by the Committee, or done without required governmental permits, are automatically deemed disapproved, and the Member must promptly remove or correct the disapproved Renovations to comply with the Architectural Standards, the Architectural Committee's or Board's approvals, and governmental requirements.

5.2 Applicants in Good Standing. Only Members in Good Standing may submit requests for architectural approval of Renovations to their Units, Exclusive Use Common Areas, or Common Areas appurtenant to their Units. A Member is in Good Standing for any Governing Documents unless found by the Board, at a properly noticed hearing, (1) to be delinquent in the payment of any Assessment, fee, or fine, by more than sixty (60) days, or (2) to be otherwise in violation of the Association's Governing Documents.

5.3 Right to Decorate Unit. Members may Decorate the interior surfaces of the walls, partitions, ceilings, floors, and doors within their Unit, subject to any restrictions or procedures found in these CC&Rs and any Rules established by the Association.

5.4 No Exterior Installations. Installations of any kind, including but not limited to trellises, awnings, electric lines, telephone lines, television antennas, satellite dishes (except as permitted by law), machines, filtration systems, and air conditioning units, on the exterior of the Unit or that protrude through the walls, or the roof, or that are located within the Common Area are prohibited except as authorized by the Architectural Committee.

5.5 Architectural Standards. The Board is authorized to adopt, amend, and repeal Architectural Standards. These Architectural Standards interpret and implement the provisions of these CC&Rs by setting forth the standards and procedures for the review and approval of proposed Renovations, guidelines or requirements for architectural design, placement of any Renovation, color schemes, exterior finishes and materials, and similar features which are recommended or required for use within the Development, provided that the Architectural Standards meet any minimum standards required by these CC&Rs. If any conflict exists between the Architectural Standards and these CC&Rs, the CC&Rs prevail.

5.6 Architectural Committee. The Board is authorized to appoint an Architectural Committee. If the Board does not appoint one, the Board is automatically deemed the Architectural Committee. The Architectural Committee has the authority to approve, reject, modify, give conditional approvals, and give limited approvals of improvements and alterations as provided for in the Association's Architectural Standards.

- a. *Architect.* The Board is authorized to retain the services of an architect and one or more consultants to assist the Architectural Committee in its duties. The Board must determine compensation for consultants' services. The cost of such consultants and any related expenses may be charged to those Members submitting plans for Renovations as a Reimbursement Special Assessment. Any

significant costs for which the Member will be responsible must be submitted to the Member for approval before being incurred by the Association.

- b. *Conflicts of Interest.* A Director or Architectural Committee member is not permitted to participate in the decision-making process of any architectural submittal made by that Director or Architectural Committee member or members of his or her family. Further, a Director or Architectural Committee member is not permitted to participate in the decision-making process of any other architectural submittal if the approval would result in a monetary benefit to the Director or Architectural Committee member or any company in which the Director or Architectural Committee member, or members of his or her family have a financial interest.

5.7 Submission of Plans and Approval Process.

- a. Plans and specifications under the Association's Governing Documents, describing the proposed Renovations, must be submitted to the Board, Manager or Architectural Committee by personal delivery, certified mail or any other method authorized by law.
- b. Applications are deemed approved within forty-five (45) days from the date of submission of a complete application unless (i) disapproved by the Committee, (ii) additional information necessary to properly consider the Committee requests the application within the forty-five (45) day period, or (iii) any proposed Renovations would violate the Association's Governing Documents, any Building, Safety and Fire Codes, or any other laws.
- c. Applications shall not be approved by any individual Architectural Committee member or Director. If an individual Architectural Committee member or Director approves architectural plans and specifications, such approval should not be relied upon and shall not be deemed approved.
- d. The Architectural Committee is authorized to impose any reasonable conditions of approving an architectural application, in writing, including, but not limited to, (1) requiring modifications of particular aspects of the Member's architectural submission or (2) requiring the preparation, execution and recording, at the Member's expense, of a covenant establishing maintenance, repair and replacement, indemnity, and other obligations binding current and future Members owning the Unit.
- e. Applications that are disapproved must be in writing and explain why the proposed Renovation is disapproved. The Member may seek reconsideration of a disapproved application, in writing, by the Board, unless (1) the original disapproval was made by the Board or a body that has the same membership as

the Board at a meeting that satisfied the requirements of the Open Meeting Act or (2) as to any Renovations that were disallowed because they would violate the Association's Governing Documents, any Building, Safety and Fire Codes, or any other laws. A permissible written request for reconsideration must be received by the Board not more than forty-five (45) days after the denial. Within forty-five (45) days after receipt of the request for reconsideration, the Board must hold an open meeting to consider the reconsideration and decide. Failure of the Board to decide within the forty-five (45) day period is deemed a decision in favor of the Member.

- f. Once an application has been approved, material modifications to the approved plans and specifications thereof are not permitted, and any subsequent alterations, relocations, additions or modifications require a separate application, review and approval. If a proposed material modification is likely to materially affect other aspects or components of the work, the Board, in its discretion, may order the Member and his or her contractors and agents to cease working on both the modified component of the Improvement and any other affected component.
- g. Unless a shorter period is specified in the approval, Renovations approved by the Architectural Committee must be completed within one (1) year of the Member receiving approval. Renovations not completed within one (1) year must be resubmitted for approval. The Architectural Committee, in its discretion, may grant short extensions for Renovations to be completed.

5.8 Rescinding Approval. The Architectural Committee or the Board is authorized to rescind previously approved plans, but only for good cause, including, but not limited to, mistake or fraud.

5.9 Failure to Comply with Approval Requirements. Any Renovations, whether in progress or completed, which (1) were not approved by the Architectural Committee or Board when the Governing Documents require such approval, (2) violate the Architectural Committee's or Board's conditions of approval, the Association's Governing Documents, or any Building, Safety and Fire Codes, or other laws, or (3) were performed by an unlicensed contractor (where a licensed contractor was required by law, the Governing Documents, or the Architectural Committee's conditions of approval), are automatically deemed disapproved and in violation of the Governing Documents.

5.10 Unauthorized Modifications. Unauthorized modifications are subject to removal at the owner's expense if such modifications are unapproved, unpermitted, incorrectly installed, or represent a health, safety or persistent nuisance to Residents.

5.11 Review Fees and Remodeling Agreement. The Board is authorized to establish a schedule of fees to be charged to an applicant to reimburse the Association for any out-of-pocket

expenses is may incur in connection with the approval of an application, including architectural and engineering consultant fees, attorneys' fees for the preparation of recordable covenants or easements, or other documents uniquely necessary for compliance with reasonable conditions of approval, and expert expenses for reviewing plans. In addition, the Board is authorized to adopt and require Members to sign a remodeling agreement.

5.12 Variances. The Architectural Committee may recommend reasonable architectural variances, subject to advanced written Board approval. The Board may grant the variance if it determines the variance will not (i) constitute a material deviation from the overall plan and scheme of the Development, (ii) result in a material detriment to the Association or any Member, or (iii) create a nuisance in the Common Area or affecting any other Member. The granting of a variance by the Board is not deemed a variance or waiver as to any other Unit, nor does any variance granted affect the applicability or enforceability of any provision of this Article to any other Unit.

5.13 Engineering and Code Requirements. Plans and specifications approved by the Architectural Committee or Board are not approved for engineering design, Building, Safety or Fire codes, or other safety specifications. Approval by the Architectural Committee or Board does not absolve Members of the responsibility of obtaining any necessary governmental approvals or permits. Members must comply with applicable Building, Safety and Fire codes, ordinances, and specifications.

5.14 Acoustical Limitations. Subject to stricter restrictions and prohibitions in this Section, all flooring installed in whole or in part over a dwelling area must meet or exceed either a Field Impact Insulation Class ("FIIC") rating of 55 or a High-Frequency Impact Rating ("NHIR") of 55.

a. *Hard-surfaced Flooring*.

- i. *Ceramic and Stone*. Installation of ceramic tile, travertine, and other stones and slates in whole or in part over a dwelling area is prohibited.
- ii. *Over Bedrooms*. Installation of any flooring, other than carpet, over a bedroom is prohibited.
- iii. *Hardwoods*. Installation of engineered and laminated hardwood flooring must be a floating (non-glued) product. All wood flooring must be at least 10 mm thick with resilient matting beneath it, such as *Ecore QTscu 4010*, *Pliteq RST10*, *InstaLay 12 mm*, or another product with equal or superior sound transmission protection.
- iv. *Luxury Vinyl*. Installation of luxury vinyl planks or tiles must be a floating (non-glued) product at least 5 mm thick with resilient matting beneath it,

such as *Sponge Cushion Silent Walk*, or another product with equal or superior sound transmission protection.

- v. *Perimeter Isolation.* All installations must follow the manufacturer's instructions. All installations must include perimeter isolation of at least 1/4 inch and no rigid contact between the floor and any wall, cabinet, baseboard, or other material.
 - vi. *Testing.* Following the completed installation of any flooring other than carpet, Members must hire an acoustic testing company, approved by the Association, to perform a sound test of the newly installed flooring to determine the FIIC or NHIR rating. The sound test must be performed directly on the actual completed and installed flooring, not over any additional floor coverings such as area rugs. If the floors fail to meet or exceed the required FIIC or NHIR rating of 55, the Member must bring the flooring into compliance or remove it and install carpeting as specified in the subpart of this Section entitled "Carpeting." The Association is permitted, but not required, to grant a waiver for minor deviations in these requirements.
 - vii. *Rules May Impose Stricter Requirements.* Nothing in this subpart entitled "Acoustical Limitations" will prohibit the Association from adopting stricter Rules and Regulations regarding the standards, ratings and requirements herein.
- b. *Carpeting.*
- i. *Noise Transmission Standard.* Whenever floors are carpeted or re-carpeted, they must meet or exceed an FIIC or NHIR rating of 60.
 - ii. *Carpet and Padding.* All carpet to be installed must weigh at least 50 oz./yd and be installed over resilient matting such as *Sponge Cushion Silent Walk* or another product with equal or superior sound transmission protection.
 - iii. *Testing.* A sound test is not required after installing carpet unless a Resident neighbor complains of unreasonable noise. If a Resident neighbor complains, the Association must retain a company of its choosing to perform a sound test. If the tested floor meets or exceeds an FIIC or NHIR rating of 60, the Association may seek to impose a Reimbursement Special Assessment for the cost of the test from the Member(s) owning the Unit in which the complaining Resident lives at a properly noticed hearing. If the tested floor fails to meet or exceed the required rating, the Association may seek to impose a Reimbursement

Special Assessment for the cost of the test from the Member(s) owning the Unit and such Member(s) must also bring the carpeting into compliance with the Association's standards. The Association is permitted, but not required, to grant a waiver for minor deviations in these requirements.

- iv. *Rules May Impose Stricter Requirements.* Nothing in this subpart entitled "Carpeting" will prohibit the Association from adopting stricter Rules and Regulations regarding the standards, ratings and requirements herein.

c. *Disclaimers.*

- i. *General Disclaimer.* Due to the way the Association's building(s) were constructed, their age, or other factors, it may not be possible for Members to achieve the required ratings for hard-surfaced flooring. The Association provides no representation or assurance that the required ratings are attainable by complying with the requirements on this Section or under any circumstances. Members who seek to install hard-surfaced flooring do so at their risk.
- ii. *Materials Disclaimer.* The materials requirements in this Section are minimum requirements. A Member's floor may need additional or better materials to achieve the required FIIC or NHIR ratings, if possible, and should consult with flooring experts before beginning the process.
- iii. *Nuisance Disclaimer.* While the purpose of this Section is to protect Members from unreasonable noise being transmitted through the flooring, compliance with this Section alone does not immunize a Member from any nuisance claims of unreasonably noisy flooring or otherwise. In addition to complying with the provisions of this Section, Members are advised that sound is easily transmitted through walls, floors and ceilings of multi-family dwellings, and Members should take reasonable actions to minimize such sounds.

- d. *Legacy Exception.* All floors approved by the Board and installed before the recordation of these CC&Rs are exempt from compliance with these acoustical limitations. However, floors must be brought into compliance whenever the flooring is replaced, the Unit is sold or otherwise transferred, or nuisance noise issues cannot be resolved by other means.

5.15 Inspection. The Association has the right, but not the obligation, to periodically inspect any work approved by the Architectural Committee or Board. Members must allow inspection. Any work in progress may be halted, and the Member will be subject to a fine if (1) an inspection is not allowed, or (2) the Renovations are in violation of the Governing Documents as provided in the Section above entitled "Failure to Comply with Approval Requirements" or

elsewhere. Such inspections do not absolve Members from compliance with the Association's Architectural Standards and all applicable Building, Safety and Fire codes.

5.16 Building Department and Association Approvals. Any construction, repair, modification, or alteration of any Improvement requiring the issuance of a building permit must be submitted by the Member to the appropriate governmental entity for review and approval. The Architectural Committee may impose conditions of approval that are more restrictive than conditions imposed by governmental agencies. If the conditions of approval imposed by the governmental entity and the Architectural Committee conflict, the more restrictive conditions control.

5.17 Mechanics' Liens. Members must ensure that no lien is placed against any other Unit, Condominium, or against the Common Areas for labor or material furnished to their Units. If a lien is placed against the Common Areas or another Member's Unit or Condominium, and the responsible Member does not immediately cause the removal of the lien, the Association may, after written notice to the responsible Member, pay the amounts necessary to have the lien removed and levy a Reimbursement Special Assessment against the responsible Member for the monies advanced and any fees and costs incurred by the Association.

5.18 Hold Harmless and Indemnify. Approval of plans by the Association signifies only general conformance with its Architectural Standards and not with Building, Safety, or Fire code compliance, lot lines, easements, or best construction practices. The Association and its Architectural Committee, Members, Officers, Directors, employees, and agents are not liable and must be held harmless, defended and indemnified for mistakes in judgment or negligence arising from or in connection with the Association's approval or disapproval of plans.

5.19 No Right to Combine Units. The combining of Units is not permitted.

5.20 No Right to Divide Units. Subject to the applicability of any law restricting the partitioning of Units and the Common Area, no Member may divide any Unit or change the number of bedrooms; provided, however, that once two (2) or more Units have been combined, the Members owning such combined Units may restore them to their original dimensions and footprint only after receiving prior written Board approval.

5.21 Waiver of Liability. Neither the Architectural Committee nor its members nor the Association or its Officers, Directors, employees or agents are liable for any damage, loss or prejudice suffered or claimed on account of the Architectural Committee's review, approval, or disapproval of any plans, drawings or specifications, or the conformance of the construction with the approved plans and any such claims are expressly waived.

ARTICLE 6: BALCONIES AND PATIOS

6.1 Member Maintenance of Balconies and Patios. Members must maintain their Balconies and Patios at their sole expense as described below and as indicated on the Maintenance Responsibility Chart.

- a. *Clean and Sanitary.* Members must keep their Balconies and Patios in a clean and sanitary condition. However, any water used in cleaning Balconies must not unreasonably spill over the Balcony's edge onto other Units or the Common Area.
- b. *Balcony/Patio Doors.* Members must maintain, repair, and replace their Balcony and Patio doors, door casings, thresholds, flashing, weather stripping, waterproofing, caulking, door guides, and any other related hardware and sealants
- c. *Floors and Surfaces.* Members must maintain, repair, and replace surface finishes and waterproofing of the floors of their Balconies and Patios.

6.2 Association Maintenance of Balconies and Patios. Excluding Member obligations provided for in this Article, the Association must maintain, repair and replace exterior surfaces, railings, and structural components of Balconies. . Subject to the notice provisions in these CC&Rs under "Right of Entry," the Association has the right to enter upon any Balcony or Patio to conduct any maintenance, repair, or replacement for which the Association is responsible.

6.3 Right to Inspect and Repair. To ensure Member and Association obligations are met, the Association has the right to enter onto Balconies and Patios to inspect them. Failure by a Member to maintain a Balcony or Patio gives the Association the right to repair it per the notice and repair provisions of these CC&Rs. The Association may recover the costs of such repairs by imposing a Reimbursement Assessment and imposing a lien against the Unit, if not paid, as provided for in these CC&Rs.

6.4 Balcony and Patio Alterations. Members have no right to paint or alter their Balconies or Patios without the prior written approval of the Architectural Committee.

6.5 Balcony Ledge. No plants or hanging vines may extend over the edge of any Balcony, except as allowed in the Rules and Regulations. No item may be placed temporarily or permanently on any ledge, except as allowed in the Rules and Regulations. Members are not permitted to drape laundry, rugs, or other similar items over any Balcony or Patio wall or railing.

6.6 Dangerous Acts. Members and Residents are not permitted to throw or sweep any dirt, water, objects, or other substances from any Unit, its doors, windows, or Balconies.

6.7 Unightly Objects. No unsightly objects (including, but not limited to, laundry, mops, appliances, and bicycles) may be placed on a Balcony or Patio where they may be seen by other Members or by the public in general. Members must keep their Patios and Balconies clean, sanitary, and free of debris, trash, animal feces, and animal waste bags.

6.8 Balcony and Patio Furniture. Members may furnish their Balconies and Patios with outdoor furniture if allowed in the Rules and Regulations.

6.9 View Obstructions. No vegetation or other obstruction may be planted or maintained upon any Balcony or Patio that unreasonably obstructs any other Unit's view. Any item or vegetation which, in the opinion of the Board, creates an unreasonable view obstruction must be removed or pruned to the Board's satisfaction.

6.10 Watering Plants. Members must not water their plants or use water on their Balconies in such a way as to cause water to drip, spray, or flow onto the Balcony, Patio, or windows of another Unit.

6.11 Balcony Weight Limitations. Members are not permitted to place unreasonable weight loads on any Balcony. The Rules and Regulations may regulate the number and size of plants. No storage containers, cabinets, shelves, refrigerators, freezers, or other appliances are permitted on Balconies or Patios.

6.12 Damage. Members are liable for any damage to their Balconies or Patios caused by the acts, omissions, or willful misconduct of Members, their Residents, occupants, guests, or their family or pets. Any such damage which the Association repairs under these CC&Rs may be assessed against the Member as a Reimbursement Assessment.

6.13 Balcony and Patio Water Damage. Members are responsible for the cost of repairing any damage to (i) their property; (ii) the property of others; and (iii) the Common Areas, resulting from water intrusion from the Balconies or Patios appurtenant to their Units due to waterproofing failures for which the Member is responsible.

ARTICLE 7: GENERAL RESTRICTIONS

7.1 Air Conditioning Units. The installation and use of air conditioning units is prohibited unless authorized by the Board or the Rules and Regulations.

7.2 Antennas. No antennas for transmitting or receiving radio signals or any other form of electromagnetic radiation may be installed, except as provided in the Association's Rules and Regulations, its Architectural Standards, and applicable law.

7.3 Barbecues. Owners shall comply with all applicable California and City of Goleta Fire Codes and laws when using a barbecue or any open-flame cooking device on a Patio or Balcony. Charcoal burners and other open-flame cooking devices shall not be operated on

combustible balconies or within 10 feet of combustible construction, except LP-gas cooking devices having LP-gas containers with a water capacity not greater than 2-1/2 pounds [nominal 1 pound (0.454 kg) LP-gas capacity]. Hours of operation, other permissible equipment, and other rules regarding barbecue operation may be stated in the Rules and Regulations. Residents and other occupants must take reasonable precautions to minimize smoke from entering other Units.

7.4 Drones. A “drone” is defined as a powered aerial vehicle that flies autonomously or is remotely piloted. The operation of drones in the Development, if allowed by the Association, must comply with the Association’s Rules and Regulations, federal and state law. No person may operate, cause, allow or authorize the operation of a drone in the airspace above any portion of the Development in such a way as to invade the privacy of Association Members, guests, Residents, occupants or vendors, whether equipped with a camera or otherwise. Prior written approval of the Board of Directors must be given for drone operations that are contrary to this Section or the Association’s Rules and must comply with such terms and conditions as the Board may deem appropriate under the circumstances.

7.5 Flammable Materials. Except for reasonable amounts of legal ammunition for use with legal firearms, the storage or use of explosives, fireworks, or highly flammable or highly corrosive materials by Members, Tenants, Residents, or their respective family, guests, or invitees anywhere in the Development is prohibited.

7.6 Health/Safety Hazards. Members must not permit conditions that constitute a health, safety, or fire hazard in their Units, Balconies, Patios, storage areas, Parking Areas, or Exclusive Use Common Areas.

7.7 Hiring of Association Employees. Members may hire off-duty Association employees to perform work. However, any use of off-duty employees is at the employing Member’s expense, and such Member is responsible for workers’ compensation and payroll deductions for that employee. The Association is not liable for the acts or omissions of employees hired by Members while in the course and scope of employment by the Member.

7.8 Laundry. No clothesline or drying rack may be erected, maintained or used in the exterior of the Development, except in an exclusive use backyard of a Member. The Association may adopt reasonable rules and restrictions regarding the use of clotheslines and drying racks as allowed by law. No item may be draped over fences, trees, Balconies, Patio walls, or railings.

7.9 Marijuana and Controlled Substances. Growing or distributing marijuana or medical marijuana, whether or not for personal use, as well as manufacturing, synthesizing, producing or distributing any illicit or controlled substances as defined by applicable state and federal laws is strictly prohibited in the Development, whether in Units, Exclusive Use Common Areas, or Common Areas.

7.10 Nudity. Public displays of nudity are prohibited.

7.11 Nuisance. Members are prohibited from causing or permitting any act or condition which constitutes a nuisance.

- a. *Unreasonableness*. To constitute a nuisance, the act or condition must be an unreasonable disturbance or annoyance, unreasonably injurious to health, indecent, or unreasonably detrimental to Persons or property.
- b. *Secondhand Smoke*. Any “exfiltration” (air flow outward through a wall, building envelope, window, etc.) of any noxious odor or smoke, including tobacco smoke, from a Unit, whether through windows, doors, vents, or other means, is prohibited. It is the responsibility of the Member causing such exfiltration of smoke or odors to prevent it.
- c. *Allergies*. Residents with allergies or sensitivities must, at their expense, take precautions to protect themselves against commonplace levels of noise, odors, dust, smoke, gases, pollen, or other environmental pollutants.
- d. *Board Determination*. Because a nuisance is largely subjective, the Association is not obligated to become involved in disputes where, in the opinion of the Board, the alleged disturbance does not constitute a nuisance. Despite the Board’s determination, the parties retain the right to take appropriate legal action against each other without involving the Association.

7.12 Obstruction of Common Areas. Obstruction or misuse of the Common Area or Exclusive Use Common Area for other than its intended purpose is prohibited unless expressly permitted in writing by the Board for good cause.

7.13 Occupancy Restriction. No more than two (2) Persons per bedroom plus one additional Person may reside in a Unit. For purposes of this restriction, “reside” means to use or occupy any Unit for more than thirty (30) consecutive days or more than sixty (60) aggregate days, whether or not consecutive, in any one calendar year. Along with other remedies provided for in these CC&Rs, if the Association pays for water for all Units, the Board may impose a water usage surcharge per Person residing in a Unit over the occupancy restriction.

7.14 Quiet Enjoyment. No one may engage in any behavior, whether verbal or physical, including, but not limited to, the posting or distributing of documents, openly or anonymously, anywhere in the Development, where such behavior is abusive, harassing, threatening, intimidating, defaming, slanderous, unlawfully aggressive, or otherwise legally actionable against other Members, Residents, guests, invitees, Board members, or the Association’s management, employees, agents, or vendors. Because such breaches of quiet enjoyment are largely subjective, the Board may choose to act only against egregious breaches. When the Association chooses not to act on a complaint of breach of quiet enjoyment, or the complaining party believes the Association’s action is not sufficient, such party may take legal action to enforce this provision against other Members and Residents, but is not permitted and

expressly waives his/her right to take any action, legal or otherwise, including commencing or maintaining a lawsuit against the Association and its Officers, Directors, employees, and agents for their failure to act on the party's complaint or for the manner in which they handled it.

7.15 Residential Use. Using a Unit, or permitting a Unit or any portion of it, to be occupied or used for any purpose other than a private residential dwelling is prohibited. Units must not be used in any way, directly or indirectly, for any business, commercial, manufacturing, mercantile, storing, vending or other nonresidential purposes. Notwithstanding the foregoing, Residents may use a room in their Unit as a home office, provided that (1) the primary use of the Unit remains as a Residence, (2) no business advertising or signage is used in connection with the home office use, (3) package deliveries are kept to a minimum, and (4) no customers, clients or patients visit the Unit. The Board may adopt additional Rules regarding the use of such home offices.

7.16 Roof Restricted Access. Members and their families, Unit Residents, guests, employees, vendors, and agents are prohibited from entering onto the Association's Common Area roofs without the prior written consent of the Board.

7.17 Sale of Unit. The Association may impose restrictions or limitations on open houses, brokers' caravans and other matters relating to the Unit's sale in the Rules and Regulations.

7.18 Satellite Dishes. Satellite dishes may only be installed as provided for in the Rules and Regulations, Architectural Standards, and applicable law.

7.19 Signs, Posters and Flags. Signs, posters, flags, banners, notices, nameplates, cards, and advertisements of any kind may only be displayed to the public view on or from any Unit or in or on any Common Area, including any Exclusive Use Common Area, as allowed by law. Owners may display one sign in a designated area of reasonable dimensions and design, advertising that the property is for sale or lease, as allowed by law and subject to any restrictions in the Rules and Regulations. Commercial signs may not be displayed.

7.20 Smoking and Vaping. All smoking, vaping, and use of e-cigarettes are prohibited everywhere in the Development, whether in Units, the Common Areas or any Exclusive Use Common Area, except within specifically designated smoking areas. "Smoking" means, but is not limited to, any practice by which a substance, whether tobacco, marijuana or any other substance, is burned to inhale its smoke. "Vaping" means inhaling water vapor to obtain nicotine, cannabis, or other substances. "E-cigarette" means an electronic device that vaporizes liquid nicotine, cannabis, or other substances. The Board may adopt additional Common Area restrictions concerning Smoking, Vaping and E-cigarette use, consistent with these CC&Rs.

7.21 Solar Energy Systems. Solar Energy Systems may only be installed after obtaining written approval of the Architectural Committee and as provided for in the Rules and Regulations, Architectural Standards, and applicable law.

7.22 Spas, Hot Tubs and Saunas. No spa, hot tub, or sauna may be installed in any Unit without the written approval of the Architectural Committee or the Board. Such installations must conform to the Association's Architectural Standards. Spas, hot tubs, and saunas are prohibited on Patios and Balconies.

7.23 Storage, Laundry and Heater Areas. Storage areas, laundry areas, Heating Areas and water heater enclosures may only be used as provided for in the Rules and Regulations. Under no circumstances may explosives, fireworks, or highly flammable or highly corrosive materials be stored in such areas. Members must keep their storage areas, laundry areas and Heater Areas hazard-free at all times. Members must supply locks to secure their possessions and insure stored items against loss. Washer and dryers must fit within the Landry enclosure so that the laundry enclosure doors fully and properly close.

7.24 Toilets. No "turbo" toilets or any other types of noisy toilets are permitted.

7.25 Use of Independent Contractors. Members may use independent contractors to perform work in their Units subject to the Association's Construction Guidelines, if any. Such contractors must be licensed and insured as required by law. The Association may, but not required to, police or enforce this provision and has no responsibility or liability for failing to do so. Members are liable for any injury to persons or damage to the Common Areas, Exclusive Use Common Areas, Units and any personal property caused by the acts or omissions of such Member's contractor. The Association is authorized, in its sole discretion, to repair, restore or replace property damaged by a Member's contractor and may impose a Reimbursement Special Assessment against the responsible Member for all costs and expenses incurred by the Association from repairing the damage. The Reimbursement Special Assessment may become a lien against the liable Member's Separate Interest enforceable by the sale of the Member's Unit under Civil Code sections 2924, 2924(b), and 2924(c).

7.26 Vibrations. No Member may operate any fixtures or equipment which cause unreasonable vibrations or noise, which annoy residents of other Units.

7.27 Window Coverings. Appropriate window coverings must be installed on windows and properly maintained at all times. The color of such window coverings must be in harmony with the structure's exterior. No window may be covered by paint, aluminum foil, newspapers, bed sheets, cardboard, blankets, or similar items.

7.28 Heater Area Modifications. Modifications to the Heater Areas are prohibited.

7.29 Water Beds. No water beds are permitted in the Units.

ARTICLE 8: LEASING AND OWNERSHIP LIMITATIONS

In addition to the restrictions found in Article 7, that Members may not use their Units for business, commercial, manufacturing, mercantile, storing, or vending purposes, the following residential restrictions apply:

8.1 No Hotel Purposes. Units may not be rented for hotel, fractional or similar purposes.

8.2 No Short-Term and Transient Rentals.

- a. *Prohibited Short Term Rental Period.* Short-term and transient rentals or leases of a Unit for less than thirty (30) days are prohibited.
- b. *Advertising Limitation.* No Unit may be advertised with Airbnb, VRBO, Flipkey, or by any other means, as being available for rent or lease for less than thirty (30) days or in a manner that would suggest or imply the Unit was available for rent or lease for less than thirty (30) days.

8.3 Lease of Less than Entire Unit. No Member may lease or rent less than the entire Unit unless a Member also resides in the Unit. The entire Unit, or any portion thereof as permitted herein, may only be leased or rented under a single lease or rental agreement signed by all adult Tenants occupying the Unit.

8.4 Lease and Rental Requirements.

- a. *Minimum Lease Term.* The initial term of a Unit lease must be for at least thirty (30) days.
- b. *Re-Leasing Within Thirty (30) Days of Lease Start.* If a Tenant terminates their lease or rental agreement or otherwise vacates the Unit before the end of the term of the lease or rental agreement, the Member is not permitted to re-lease or re-rent the Unit until at least thirty (30) days have passed since the beginning of the term of the lease or rental agreement.
- c. *No Assignment or Subleasing.* No lease of or rental agreement regarding a Unit may be assigned. No Unit may be sublet or subleased.

8.5 Rental Cap. No more than twenty-five percent (25%) of the Units in the Development may be leased to Tenants at any given time. If a Member wishes to lease a Unit to a Tenant at a time when twenty-five percent (25%) of the Units are already being leased, the Member may appeal to the Board for a special exemption.

- a. *Rental Cap Exception.* All record Owners of a Unit on the date these CC&Rs are recorded may rent or lease their Unit to Tenants regardless of the percentage of rented or leased Units. Members must adhere to all other rental or lease prohibitions, restrictions, rules and requirements.
- b. *Waiting List.* Any Member wishing to lease a Unit must submit a written request to the Board to ensure the leasing capacity has not been met. When at least twenty-five (25%) of all Units are leased or rented to Tenants, the Board must maintain a waiting list.
- c. *Units with Member in Residence Not Subject to Rental Cap.* Units are not deemed to be counted toward the rental cap while a Member resides in the Unit.

8.6 Lease and Rental Agreements and Addendums.

- a. *Leases and Rental Agreements in Writing.* All leases and rental agreements between a Member and Tenant must be in writing.
- b. *Required Lease and Rental Agreement Provisions.* All provisions of any leases and rental agreements between a Member and Tenant must be consistent with and not violate any of the Association's Governing Documents. All leases must include, at a minimum, provisions that require Tenants (1) to comply with all provisions of the Association's Governing Documents and (2) to be bound by and subject to the same disciplinary procedures and fines as Members.
- c. *Lease Addendum.* Member, Tenant, and the Association may also execute a "Lease Addendum" supplied by the Association, in which the parties allow the Association to directly enforce the terms of the lease or rental agreement between Member and Tenant or such other terms to which the parties may agree.

8.7 Governing Documents. Members must provide their Tenants with the Association's Rules and Regulations and ensure compliance with them.

8.8 Transfer of Common Area Privileges. Any Members residing offsite and whose Unit is occupied by others automatically transfers the Members' rights to use the Association's Common Area facilities to the Residents until the Member retakes possession of the Unit.

8.9 Transfer of Occupancy. Members living offsite must promptly provide the Association with the current name, address, phone number, and email address of all Unit Residents and any changes in such information.

8.10 Repairing Damage. Members are liable for all damage to the Units, Common Areas, including Exclusive-Use Common Areas, and any personal property caused by the negligent acts or omissions of such Member, Member's Tenant, or their respective family, guests, invitees, vendors, or pets. The Association is authorized, in its discretion, to repair, restore or replace such damaged property and may impose a Reimbursement Special Assessment against the liable Member for all costs and expenses incurred by the Association from repairing, restoring or replacing the damaged property. The Reimbursement Special Assessment may become a lien against the liable Member's Separate Interest enforceable by the sale of the Member's Unit under Civil Code sections 2924, 2924b, and 2924c.

8.11 Unlawful Detainer. Members who lease their Units must ensure compliance with the Association's Governing Documents by their Tenants. If a Member fails to take legal action against his/her Tenant, who violates the Governing Documents, within ten (10) days after receipt of the Association's written demand to do so, the Association may institute unlawful detainer proceedings on behalf of such Member and against the Tenant and the Association is hereby granted the right of possession to the Unit for such purpose. The Association may be awarded costs of suit and attorneys' fees by the court as provided by law.

8.12 Assignment of Rents. As security for the payment of Assessments, fines, and other sums owed to the Association, Members who lease their Units pledge their rights as Landlords (including the right to receive rent) to the Association. If a Member becomes delinquent in payment of Assessments or fines to the Association, the Association may assign the rents payable by the Tenant to the Association until the Member's account is paid in full as provided for in Civil Code §2938 or any other provision of law. During the assignment period, Members have no right to collect the assigned amounts from Tenants and may not evict Tenants for complying with the Association's assignment of rents.

ARTICLE 9: PETS

9.1 Pet Limitation. Usual domesticated dogs, cats, and birds may be kept in Units as pets. Only (1) dog or two (2) cats may be kept as a pet within any Unit. Aquariums of 100 gallons or less may be maintained in Units with only non-poisonous, legal, aquatic creatures, excluding any snakes. No animal may be kept, bred, or maintained: (i) for any commercial purpose; (ii) in unreasonable numbers; or (iii) for any purpose that would involve any odor, noise, or other nuisance which would unreasonably disturb the use and enjoyment of any portion of the Development by other Members. The Board may adopt additional Rules and Regulations regarding the quantity, kinds and sizes of pets and tanks that may be kept and other pet issues not conflicting with these CC&Rs.

9.2 Size Limitation. No dog that exceeds twenty-five (25) pounds is permitted. With proper documentation permitted by law, physically or mentally disabled individuals may have an assistance/service dog over the weight limitation.

9.3 Assistance Animals. An animal otherwise prohibited by these CC&Rs, which a Resident keeps for the purpose of servicing the Resident's qualified disability, may be kept by such Resident provided the animal is properly cared for (i.e., kept healthy, clean, and properly groomed and waste material is properly disposed of) and not unruly or disruptive (e.g., barking, growling, running loose, displaying aggressive behavior, etc.). All pet rules apply to assistance animals unless contrary to law.

9.4 Nuisance. The Board is authorized to prohibit any animal which, in its opinion, constitutes a nuisance to other Members according to evidence provided at a noticed hearing. Pet or other animal owners shall be responsible for the prompt removal and proper disposal of animal wastes from their animals and shall be solely responsible for the conduct of the pet or other animal.

9.5 Dangerous Animals. No wild or undomesticated animal, or animal which the Board has determined to be aggressive or dangerous according to evidence provided at a noticed hearing, may be kept in the Development.

9.6 Prohibited Dog Breeds.

- a. The following breeds of dogs may not be kept as pets: Pit Bull, German Shepherd, Alaskan Malamute, Chow, Great Dane, Rottweiler, Dalmatian, Presa Canario, Husky, Wolf-dog hybrid, Doberman Pincher, Akita, and Jindo. The term Pit Bull refers to any dog that is or is mixed with a Bull Terrier, Miniature Bull Terrier, American Pit Bull Terrier, American Staffordshire Terrier, Staffordshire Bull Terrier, or any dog that exhibits physical traits of any one or more of these Pit Bull breeds or any dog exhibiting those distinguishing characteristics which conform to the standards established by the American Kennel Club ("AKC"), United Kennel Club ("UKC"), or American Dog Breeders Association ("ADBA") for any of these Pit Bull breeds.
- b. If a dog's breed is unknown or disputed, the Board's determination that the dog exhibits the physical traits or distinguishing characteristics of one of these prohibited breeds which conform to the standards established by AKC, UKC, or ADBA, is sufficient to expel the dog from the Development.
- c. A Member appealing the Board's decision has the burden to show the dog is not of a prohibited breed. A Member's failure to appeal the Board's decision within

thirty (30) days of receiving the Board's determination letter is deemed an acceptance and agreement with the Board's determination.

- d. The Association is authorized to restrict other categories of animals that are dangerous or have aggressive tendencies, as designated by the insurance industry or a governmental agency.

9.7 Liability. Members are liable for any injury to Persons or property caused by any animal brought or permitted onto or kept within the Development by the Member, Member's Tenant or their respective family, guests, or invitees.

9.8 Control. Pets are permitted in the Common Area, only as permitted by the Rules or this Section. All dogs in the Common Area must be on a leash held by a Person capable of controlling the dog. The Association may remove any unleashed dog found within the Common Areas to a pound or animal shelter under the jurisdiction of the city or county in which the Development is located.

ARTICLE 10: VEHICLES AND PARKING

10.1 Management of Parking. The Association manages and controls all Common Area parking and private streets.

10.2 Restricted Parking. Only the following types of vehicles may be parked in parking spaces: automobiles, trucks, motorcycles, and mopeds. Vehicles must be parked completely within the parking space. No RV, camper, boat, recreational watercraft, trailer, or other similar vehicle is permitted in any portion of the Common Areas or parking space. Only permitted vehicles may be stored in parking spaces.

10.3 Commercial Vehicles. Commercial vehicles, including pickup trucks one ton or larger panel trucks, tow trucks, stake bed trucks, tank trucks, dump trucks, step vans, concrete trucks, taxis, buses, vans designed for ten (10) people or more, vehicles with commercial signage, and the like, are prohibited, except as provided in the Rules and Regulations.

10.4 Assigned Parking. Each Member is assigned one (1) covered parking space for their exclusive use or that of their Tenants. Unless prohibited by law, the Association may suspend such use at a disciplinary hearing due to delinquent assessments, unpaid fines or other charges, and repeated Governing Document violations. Each Member is solely responsible for ensuring that his/her vehicle, or that of his/her Tenants, fits within the Member's assigned parking space(s).

10.5 Use of Parking Spaces. No Owner shall use more than two (2) parking spaces in the Development without the approval of the Board. No Owner may use a vehicle, tent or other equipment as living quarters or storage in any parking space.

10.6 Guest Parking. Guest parking is limited by and subject to the Association's Rules and Regulations. Unless prohibited by law, the Association may suspend guest parking rights at a disciplinary hearing due to delinquent assessments, unpaid fines or other charges, and repeated rules violations.

10.7 Renting of Parking Spaces. Renting or leasing a parking space to any person, except to a Tenant as part of a Unit lease, is prohibited.

10.8 Registered and Proper Operating Condition. All vehicles parked in the Development must be registered and maintained in proper operating condition and not be a hazard or nuisance by noise, exhaust emissions, or appearance. All vehicles parked in the Development must carry current registration tags and be insured.

10.9 Limited Operation. The operation of vehicles in the Common Areas is only permitted to move the vehicle into or out of the Parking Areas.

10.10 Electric Vehicle Charging Stations. Members are permitted, with the Architectural Committee or Board's written approval, to install at their expense an electric charging station compliant with Section 4745 of the Civil Code or any successor statute. Use of Association electricity to power a Member's electrical vehicle charging station is prohibited unless, following written approval of the Architectural Committee or the Board, the Member has installed an electrical submeter to track electricity usage. The Member must pay the Association for all Association electricity used by the electric vehicle charging station. The Association may impose reasonable requirements on the location and installation of the equipment. A licensed electrician must do all electrical work with appropriate permits from the Building Department.

10.11 Noise Limitation. All vehicles must be configured to operate quietly.

10.12 Repair of Vehicles. Construction, repair, or servicing of vehicles within any portion of the Development is prohibited. However, when necessary, emergency repairs may move a vehicle to a proper repair facility.

10.13 Washing of Vehicles. Vehicles may be washed in the designated car wash area, subject to the Rules and Regulations. Washing of vehicles anywhere else within the Development is prohibited. Detailing of vehicles within the Development is prohibited.

10.14 Fluid Leaks. Members must keep the Common Area free of vehicle fluids such as oil, radiator coolant, brake fluid, power steering fluid, etc. Members who fail to do so are subject to fines or other penalties and a Reimbursement Assessment for the cost of cleaning the affected areas.

10.15 Theft or Damage. The Association is not liable for any loss or damage suffered by any Member, Tenant, or guest due to theft of or damage to any vehicle or vehicle contents unless resulting from the Association's intentional misconduct or gross negligence.

10.16 Impeding Access. Vehicles must not impede or prevent ready access to any door, gate, entrance, sidewalk, walkway, driveways, exit, or fire lane.

ARTICLE 11: ENFORCEMENT OF GOVERNING DOCUMENTS

11.1 Association Enforcement Rights. In addition to any other rights described in these CC&Rs and without waiving the Association's right to institute any other enforcement measures, and subject to the notice and hearing provisions in the Bylaws and as required by law, the Association is authorized to enforce the Governing Documents by any of the following means:

- a. *Monetary Penalties (Fines)*. The Board is authorized to assess reasonable monetary penalties (fines) for violations of the Association's Governing Documents by a Member, Member's Tenants or their respective family, invitees or guests. A monetary penalty (fine) imposed by the Association as a disciplinary measure for the failure of a Member to comply with the governing documents is hereby treated and deemed to be an assessment that may become a lien against the Member's Separate Interest, but such lien may not be enforced by the sale of the interest under Sections 2924, 2924b, and 2924c (non-judicial foreclosure). As assessments, Members are liable for all collection costs, including reasonable attorneys' fees, court costs, and related expenses for delinquent monetary penalties (fines).
- b. *Suspend Common Area Privileges*. The Board is authorized to temporarily suspend Common Area privileges of Members, Member's Tenants and their respective family, invitees, and guests for their failure to comply with the Association's Governing Documents. Any such suspension must be for a period not to exceed thirty (30) days for each noncontinuing violation. The suspension may be imposed for as long as the violation continues for continuing violations.
- c. *Dispute Resolution*. As to any dispute between a Member and the Association, the Association is authorized to engage in Internal Dispute Resolution and Alternative Dispute Resolution as provided in the Governing Documents and the law.
- d. *Judicial Enforcement*. A lawsuit for damages, declaratory relief, and injunctive relief may be filed, whether or not the relief sought is for negative or affirmative action.

11.2 Cumulative Remedies. The respective rights and remedies, provided by the Governing Documents, under the law, or available in equity, are cumulative, and the exercise of any one or more of such rights or remedies does not preclude or affect the exercise, at the same or at different times, of any other such rights or for the same or different failures of the Members or others to perform or observe any provision of the Governing Documents.

11.3 Failure to Enforce Not a Waiver. Failure to enforce the Governing Documents, whether by the Board or any Member or other Person entitled to enforce them, is not deemed a waiver of the right to do so. Waiver or attempted waiver of any provision of the Governing Documents concerning a given Unit is not deemed a waiver of such right as to any other Unit. Additionally, violation of any provision of the Governing Documents by the Members owning any Unit or Units does not affect the applicability or enforceability of any provision of the Governing Documents against the Members owning any other Unit.

11.4 Remedy at Law Inadequate. If remedies at law for violation of the Association's Governing Documents are inadequate, then equitable, declaratory, and injunctive relief may be sought and awarded.

11.5 Right of Action Against Buyer. If a Member fails to correct architectural, nuisance, or other continuous violations concerning the Member's Unit before transferring title to the Unit to a buyer, the Association retains the right to enforce compliance against the buyer for such violations.

11.6 Right to Request Identification. All Persons using the Association's Common Area facilities must show proper identification when requested by Directors of the Board or the Association's peace officers or security personnel.

11.7 Attorneys' Fees. If any party initiates any action or proceeding to enforce or interpret the Governing Documents or California law relating to the Development, the prevailing party is entitled to recover reasonable attorneys' fees and court costs, including reasonable expert fees, as permitted by law.

ARTICLE 12: RIGHT OF ENTRY

12.1 Limited Right of Entry. During reasonable hours and subject to the notice requirements contained in this Article, the Association's representatives, employees, and vendors are authorized to enter Units, Common Areas, and Exclusive Use Common Areas: (i) to inspect and perform maintenance, repairs, or replacements to the Common Areas or Exclusive Use Common Areas; or (ii) to mitigate or repair damage; or (iii) to inspect the Units and Exclusive Use Common Areas to ensure compliance with the Governing Documents.

12.2 Notice of Entry. The Association must give at least three (3) business days' written notice by personal delivery, or five (5) calendar days' written notice by first class mail or email, to the Resident and a Unit Owner, stating the purpose and time of the entry. Email notification may be used only if the recipient previously consented to receive such notices and communications from the Association by email.

12.3 Avoid Unreasonable Interference. The right of entry must be exercised to avoid unreasonable or unnecessary interference with the possession, use, and enjoyment of the Member or Resident of such Unit.

12.4 Emergency Entry. In an emergency, the Board or its authorized representatives may enter the Unit without permission and is not subject to liability to the Member or Resident for such entry. If exercised in good faith, such entry is deemed to be consented to by all Members and does not constitute trespass or any other wrongful act. If the Association must damage or destroy property to gain access to the Unit, the Member will have no right of action against the Association or its representatives for such damage or destruction. However, the Association must repair any such damage or destruction if the emergency did not originate in the affected Unit. Before emergency entry, if feasible, the Board must make a good faith effort to contact a Member owning the Unit.

12.5 Refusal to Allow Entry.

- a. *Entry by Court Order.* Following any refusal to expressly grant entry permitted in these CC&Rs, the Association may file suit and seek a court order to gain entry authorized in these CC&Rs. However, if the Member owning the Unit or a Resident of the Unit has expressly prohibited entry authorized in these CC&Rs, the Association's representatives may gain entry only after filing suit and obtaining a court order.
- b. *Entry without Court Order.* If the Member owning the Unit or a Resident of the Unit does not expressly prohibit entry authorized in these CC&Rs but is unavailable or otherwise refuses to expressly grant access, the Association, through its representatives, may enter the Unit, without a court order, in the manner permitted elsewhere in this Article. When acting in good faith, such persons entering with no court order are not liable for trespass or any other unintentional damages resulting from such entry.
- c. *Recovery of Attorneys' Fees and Costs in Lawsuit.* If the Association files a lawsuit to gain entry and prevails, it is entitled to recover by from the Member, by judgment, all expenses the Association incurred because of refusal to allow entry, including, without limitation, the cost of hiring a locksmith, the cost of repairing the damage that was reasonably necessary to gain entry, and reasonable attorneys' fees and costs of suit for the enforcement of this provision of the CC&Rs as the court may order.
- d. *Expenses Not Recovered as Part of a Lawsuit.* If the Association gains entry without a court order or chooses not to seek recovery of its expenses in a lawsuit, it may recover all expenses it incurred because of refusal to allow entry, including, without limitation, the cost of hiring a locksmith and the cost of repairing the damage that was reasonably necessary to gain entry, but excluding attorneys' fees, by a Reimbursement Special Assessment against the Member, enforceable by all means provided for in these CC&Rs and by law, including lien and foreclosure.

12.6 Damage Repaired by Association. Any damage caused by the Association to the Common Areas or Unit improvements must be promptly repaired by the Association to original building construction standards. The Association is authorized to recover the cost of any damage caused by others, but repaired by the Association, by a Reimbursement Special Assessment (if caused by a Member, a Member's Tenant, family member, invitee or guest), or any other legal means against the responsible parties.

12.7 Power to Vacate Unit. The Association may require Residents to vacate a Unit to allow maintenance, repair or replacement of the Association's Common Areas or other areas for which the Association is obligated. All costs of temporary relocation during the maintenance, repair or replacement of the areas within the responsibility of the Association must be borne by the Member owning the Separate Interest affected, and not the Association, per the Davis-Stirling Act. Such temporary relocation costs include, without limitation, food, lodging, lost rent or other income, and any other associated expenses incurred by the Member. However, the Association must diligently make such repairs reasonably quickly.

- a. *Notice.* The Board must give notice of the need to temporarily vacate a Unit to Residents and Members not less than fifteen (15) days before the date of the relocation. The notice must state the reason for the temporary relocation, the date and time of the repairs, and the anticipated date and time of completion. The notice must be either by personal delivery or first-class mail to the address shown on the books of the Association.
- b. *Duty to Vacate.* Members and Residents must cooperate with the Association and vacate their Units if requested by the Association. If not, the Association may file a lawsuit to require cooperation and the Unit to be vacated.
- c. *Recovery of Attorneys' Fees and Costs in Lawsuit.* If the Association files a lawsuit to require cooperation or require the Unit to be vacated and prevails, it is entitled to recover from the Member, by judgment, all expenses the Association incurred because of refusal to cooperate or vacate, including, without limitation, reasonable attorneys' fees and costs of suit for the enforcement of this provision of the CC&Rs as the court may order.

12.8 Entry by Member. Each Member must permit other Members and their representatives to enter his/her Unit to perform installations, alterations, or repairs to the mechanical or electrical services to a Unit, if: (i) requests for entry are made in advance; (ii) entry is made at a time reasonably convenient to the Member whose Unit is being entered; and (iii) the entered Unit is left in substantially the same condition as existed immediately preceding such entry. The entering Member must repair any damage to the Unit caused by the entry. Both the Member allowing entry and the Member gaining entry must hold harmless and defend the Association and its Officers, Directors, Committee members, Members, agents, and employees

against claims of damage or injury resulting from one Member's entry into another Member's Unit.

ARTICLE 13: ASSESSMENTS

13.1 Purpose of Assessments. The general purpose of Assessments is to provide for the recreation, health, safety, and welfare of the Members, enforce and comply with the Governing Documents, manage the Development, enhance the quality of life in the Association, improve, maintain, repair, and replace Common Areas and Exclusive Use Common Areas, provide for the acquisition and maintenance of property, services and facilities devoted to these purposes, and for any action or undertaking on behalf of the Association.

13.2 Regular Assessment. The Board must levy Regular Assessments in an amount sufficient to provide for the performance by the Board of each and every one of its powers and duties provided, however:

- a. *20% Limitation.* Under the Davis-Stirling Act, the Board is not permitted, without Members' approval casting a majority of the votes with a Quorum present, to impose a Regular Assessment which is more than twenty percent (20%) greater than the Regular Assessment for the immediately preceding fiscal year. Quorum for this provision means more than fifty percent (50%) of the Members of the Association.
- b. *Uniform Rate of Assessment.* Regular Assessments must be fixed at a uniform rate for all Units.
- c. *Payable Monthly.* Regular Assessments are payable by each Member against whom assessed in twelve (12) equal monthly installments on the first day of each calendar month or at such other dates and in such other installments as the Board determines. Assessments for new Members must be prorated in the first month of membership according to the date the individual becomes a Member.
- d. *Written Notice.* Written notice of any increase in Regular Assessments must be sent by first-class mail to each Member, not less than thirty (30) days or more than sixty (60) days before the increased Assessment is due.
- e. *Modification of Assessment.* The Board may modify the Regular Assessments during a fiscal year if necessary, to conform to a revised estimate of costs and expenses. However, if the aggregate increase exceeds twenty percent (20%) of the Regular Assessment for the immediately preceding fiscal year, the Board must obtain the approval of Members as provided for in the Davis-Stirling Act. If an annual Regular Assessment is not published for a new fiscal year, the Regular Assessment for the prior fiscal year will apply and govern each Member's payments until changed by a new Regular Assessment.

13.3 Special Assessment. In addition to the Regular Assessment, the Board may levy a “Special Assessment” for any purpose necessary for the Association to carry out its duties; provided, however:

- a. *5% Limitation*. Under the Davis-Stirling Act, the Board is not permitted, without Members' approval casting a majority of the votes with Quorum present, to impose a Special Assessment which is more than five percent (5%) of the budgeted gross expenses of the Association for such fiscal year. Quorum for purposes of this provision means more than fifty percent (50%) of the Members of the Association.
- b. *Uniform Rate of Assessment*. Special Assessments are fixed at a uniform rate for all Units.
- c. *Reimbursement Assessments*. Special Assessments are also permitted to be levied against individual Units for reimbursement of expenses incurred by the Association arising out of actions or omissions of such Member, Member's Tenant, or their respective family, guests, invitees or pets, as expressly provided elsewhere in these CC&Rs.
- d. *Payment Schedule*. Special Assessments are payable by each Member against whom assessed either monthly or at such dates and in such installments as the Board determines.
- e. *Written Notice*. Written notice of Special Assessments must be sent by first-class mail to each Member not less than thirty (30) days or more than sixty (60) days before the Assessment is due.

13.4 Emergency Assessment. In emergency situations, the Board may increase Regular Assessments beyond twenty percent (20%) or impose Special Assessments above five percent (5%) only as provided for by law.

13.5 Deposit of Assessments. All sums received by the Association must be promptly deposited into accounts clearly designated in the Association's name.

- a. *Commingling*. The Association must maintain separate accounts for its operating funds and its Reserves, respectively, and no funds from those separate accounts may be commingled at any time.
- b. *Interest*. No Member has the right to receive interest on any such funds deposited.

13.6 Reserves. All sums assessed and collected by the Association which are budgeted to fund Reserves for anticipated long-term maintenance, repair, and replacement of Common Area components, the cost of which would not ordinarily be incurred on an annual basis, must:

- a. *Be Segregated*. Be received in trust by the Board, set aside and segregated from the other monies and not be commingled with the Association's Operating Account.
- b. *Be Invested*. Be invested in low-risk investments. Reserves must be deposited in financial institutions authorized to do business in California and where the Association's deposits are insured against loss. Alternatively, the Association may deposit funds with brokerage houses or institutions members of the Financial Industry Regulatory Authority and where the Association's deposits are insured against loss.
- c. *Require Two Signatures*. Be withdrawn from the Reserve account only upon approval by the Board and the signature of two (2) Board members.
- d. *No Reimbursement*. All contributions to the Reserves and interest earned are for the benefit of the Association and not to the benefit of any individual Member. As such, contributions and interest are not refundable to Members when they cease to be Members of the Association.
- e. *Reserve Funding Requirement*. Be funded as follows:
 - i. At the beginning of each fiscal year, the Association's reserves must be at least seventy percent (60%) funded, as that percentage is outlined in the Association's Reserve Funding Disclosure Form as specified in Civil Code §5570(a)(6). For this Section 13.6, the Association's actual percentage at the beginning of any fiscal year is defined as the "Reserve Percentage Funded."
 - ii. Once the Reserve Percentage Funded reaches the level required in this Section 13.6, it must be maintained at that level or higher at all times, except as otherwise provided in such Section 13.6.
 - iii. For each upcoming fiscal year in which the Reserve Percentage Funded will be, or is reasonably expected to be, less than the amount required in Section 13.6, the Board, in conjunction with its annual review an existing reserve study, or performance of a full reserve study, and its development of the Association's operating budget for the upcoming fiscal year, must make a good faith effort act to increase the Reserve Percentage Funded by at least five percent (5%), or a lesser amount if sufficient to reach the required percentage, during the upcoming fiscal year.

- iv. Notwithstanding any contrary provision of this Section 13.6, nothing in said Section will (a) prevent the Association from spending Reserves on reserve items identified in its reserve study when necessary to fulfill the Association's obligations to maintain, repair and replace all or any portion of such reserve items, or (b) obligate the Association to pursue or impose an assessment increase requiring membership approval.

ARTICLE 14: ENFORCEMENT OF ASSESSMENTS

14.1 Liability for Assessments. Together with charges, interest, costs, and attorneys' fees (regardless of whether legal proceedings are instituted), Assessments are a debt of each Owner of a Separate Interest at the time the assessment or other sums are levied. Co-Owners and Members owning a full or partial interest in a Unit are jointly and severally liable for the entire amount of all Assessments, late charges, interest, reasonable collection costs, reasonable attorneys' fees, and monetary penalties.

14.2 Enforcement Rights. In addition to any other rights provided for by law or described in these CC&Rs, the Board has the right to collect delinquent Assessments as follows:

- a. *Late Fees and Interest.* Unpaid Assessments are deemed delinquent fifteen (15) days after they are due and are subject to a late charge of the greater of either ten percent (10%) or Ten Dollars (\$10.00), which may not be imposed more than once on any delinquent payment, and interest at the rate of twelve percent (12%) per annum, which may commence thirty (30) days after the Assessment becomes due.
- b. *File Suit.* The Association is authorized to commence and maintain a lawsuit directly on the debt without waiving its right to establish a lien and initiate foreclosure against the Member's Unit for the delinquent Assessment. In any action to collect delinquent Assessments, late charges or interest, the prevailing party is entitled to costs and reasonable attorneys' fees. All amounts included in any judgment may become the subject of a judgment lien in any county in California in which an abstract of judgment is recorded.
- c. *Lien and Foreclose.* Under the Davis-Stirling Act, a delinquent Assessment or installment, together with any late charges, interest, costs, attorneys' fees, and penalties, will become a lien on the Unit upon the recordation of a "Notice of Delinquent Assessment" in the Office of the County Recorder. The Board may enforce any Assessment lien against a Unit by filing an action for judicial foreclosure or by nonjudicial foreclosure in the manner provided for in the Davis-Stirling Act. The Association, through its Board, is authorized to bid on the Unit at the sale and may hold, lease, mortgage, and convey the acquired Unit as permitted by law.

- d. *Continuing Lien.* Any demand or claim of lien or lien on account of prior delinquencies is deemed to include subsequent delinquencies and amounts due on account thereof. It is the intent of these CC&Rs that any lien recorded against a Separate Interest by the Association to secure payment of delinquent assessments and other amounts be a continuing lien to include any and all subsequent assessments and other amounts as permitted in the Davis-Stirling Act, to the full extent allowed in *Bear Creek Master Ass'n v. Edwards*, (2005) 130 Cal. App. 4th 1470.
- e. *Suspend Privileges.* Subject to the notice and hearing provisions outlined in the Bylaws, the Association is authorized to suspend membership privileges, except voting rights, until the delinquent Assessments, fees and fines, including any accumulated penalties, interest, and collection costs, have been paid in full.
- f. *Additional Remedies.* The remedies provided in this Section are in addition to, not in substitution for, any other rights and remedies which the Association may have.

14.3 No Offsets. All Assessments are payable in the amount specified by the Assessment and no offsets against such amount are permitted for any reason, including, without limitation: (i) a claim that the Association is not properly exercising its duties and powers, as provided in these CC&Rs; (ii) a Member has not made or elects not to make use of the Common Area; (iii) any maintenance, repairs or replacements for which the Association is responsible have not been performed or have not been performed to a Member's satisfaction.

14.4 No Exemption by Waiver of Use. Members are not permitted to exempt themselves from liability for Assessments nor release their Units from liens and charges by waiver of their use and enjoyment of the Common Areas, by the abandonment of their Units, or through non-use of Common Areas or membership privileges.

14.5 Attorneys' Fees. Any reasonable attorneys' fees and costs incurred by the Association in collecting assessments, late fees, and interest against a Member may become a Reimbursement Special Assessment against that Member, which may be collected in any manner provided for by these CC&Rs or by law.

14.6 Non -Waiver of Assessments. If the Board fails to approve a Budget or fix the Assessments for the current year, the Budget and Assessments from the preceding year continue until a new Budget is approved and new Assessments are fixed.

ARTICLE 15: INSURANCE

15.1 Association Insurance. The Association must obtain and maintain policies of insurance as described below. To help keep premiums at a reasonable level, the Association is

authorized to establish appropriate deductibles for its policies of insurance. Unless otherwise determined by the Board, coverage must be on an occurrence basis.

- a. *Automobile Liability Insurance.* If appropriate, the Association may purchase non-owned and hired automobile liability coverage and garage-keepers legal liability coverage.
- b. *Boiler and Machinery Insurance.* If appropriate, the Association may purchase insurance for the loss or damage to or resulting from equipment failures such as boilers, pressure vessels, pressure pipes, motors, mechanical breakdowns, electrical failures, and the like.
- c. *Commercial General Liability ("CGL").* The Association must maintain one or more CGL policies that provide appropriate liability limits for injury or death to one or more Persons in any one accident or occurrence. The Association must carry coverage in amounts that meet or exceed those called for in Civil Code §5805 and any successor statutes.
- d. *Direct Physical Loss.* The Association must maintain one or more policies for loss or damage by fire or other perils covered by the standard "Special Form" policy (or its equivalent) covering all Common Area Improvements in the Development and other Improvements in the Development as the Board may deem appropriate. The Board is authorized, in its sole discretion, to limit the scope of coverage under such policies to what is commonly referred to as "bare walls," which exclusions from coverage may include, but are not limited to, the following fixtures and components within or appurtenant to a Separate Interest:
 - i. Exclusive Use Common Areas;
 - ii. Floor, wall, and ceiling coverings;
 - iii. Forced air units, heaters, and electrical and plumbing fixtures;
 - iv. Water heaters, water softeners, water filters, and built-in and free-standing appliances;
 - v. Built-in cabinets and countertops;
 - vi. Window treatments and components, such as curtains, drapes, blinds, and related hardware;
 - vii. Personal property of a Member;
 - viii. Betterments and improvements made by the Members; and

ix. Replacements of any of the foregoing.

The amount of such insurance must not be less than one hundred percent (100%) of the aggregate full insurable value, meaning replacement cost, not a depreciated amount or actual cash value (ACV), if available. If available, the coverage must be written on a blanket basis with an agreed value endorsement and an inflation guard endorsement. The Association's insurance policy must be primary with respect to property damage in the event of overlapping coverage with a Member's property damage policy. Because construction costs can be unpredictable and suddenly escalate whenever large losses occur, Directors are not liable if actual construction costs are greater than the 100% replacement cost provided by the insurance policy. In addition, if available, the Association must include the following:

1. "Ordinance or Law Coverage" or its equivalent, including:
 - (a) Coverage for Loss to the Undamaged Portion of the building or structure.
 - (b) Demolition Cost Coverage.
 - (c) Increased Cost of Construction Coverage.
2. "Maintenance Fees Receivable" coverage, or its equivalent, to cover the loss from unpaid or uncollected Assessments resulting from a covered property loss.
3. Such other endorsements which the Board may deem necessary or reasonable.

- e. *Directors and Officers.* The Association must purchase Directors and Officers errors and omission insurance insuring the Association, Directors, Officers, Committee members, trustees, Association employees, Association volunteers, any community manager in contract with the Association, any management company in contract with the Association and employees of such Association management company who perform services on behalf of the Association. The Association must carry coverage in amounts that meet or exceed those called for in Civil Code §5800 and any successor statutes.
- f. *Earthquake Insurance.* The Association may purchase earthquake insurance after considering the cost and availability.

- g. *Employment Practices Liability.* When available and affordable, the Association should consider purchasing employment practices liability coverage (whether or not it has employees).
- h. *Crime Insurance and Fidelity Bond.* The Association must maintain crime insurance, employee dishonesty coverage, fidelity bond coverage, or their equivalent, for its directors, officers, and employees in an amount equal to or more than the combined amount of the reserves of the Association and total assessments for three months. The coverage maintained by the Association shall also include protection in an equal amount against computer fraud and funds transfer fraud. If the Association uses a managing agent or management company, the Association's crime insurance, employee dishonesty coverage, fidelity bond coverage, or their equivalent shall additionally include coverage for, or otherwise be endorsed to provide coverage for, dishonest acts by that person or entity and its employees. Self-insurance does not meet the requirements of this section.
- i. *Flood Insurance.* When required by any first mortgage holder, Fannie Mae, Freddie Mac, or the Fair Housing Administration (FHA), the Association must purchase flood insurance on any portion of the premises that Federal Emergency Management Agency (FEMA) determines to be in a Special Flood Hazard Area (SFHA). Otherwise, the Association may purchase flood insurance after considering the cost and availability.
- j. *Umbrella Policy.* The Association may purchase an excess or umbrella policy over its public liability and property damage, Directors and Officers liability, and workers' compensation policies to provide higher liability limits as the Board determines.
- k. *Workers' Compensation.* The Association must carry workers' compensation insurance as required by law to cover employees of the association. The Association may also purchase a Voluntary Labor Endorsement to protect its volunteers if available.

15.2 Member Obligation to Carry Insurance. At their sole expense, Members must purchase insurance covering their person and property, including, without limitation: (i) real property and personal property coverage that insures their Separate Interest and its contents against damage or loss, including, but not limited to, all fixtures, components and Unit Improvements within or appurtenant to the Separate Interest or Exclusive Use Common Area which are not covered by the Association's property damage policy; (ii) premises liability that includes protection for bodily injury and property damage; (iii) personal liability coverage, (iv) loss of use that protects a Member for additional living expenses should his/her Unit become uninhabitable due to a covered loss; (v) loss assessment coverage that protects against Special

Assessments due to a loss which exceeds the Association's master policy limits or deductible, (vi) master policy deductible coverage, and (vii) such other coverage as the Member deems appropriate. In addition, if a Member operates a vehicle driven across the Association's Common Areas, the Member must carry appropriate automobile insurance. The Association has no obligation to police this provision and is specifically relieved of any responsibility or liability from doing so or failing to do so.

- a. *Waiver of Claims.* Members waive their claims against the Association to the extent such claims are covered under insurance which Members are required to carry under these CC&Rs, regardless of whether Members actually carry such insurance.
- b. *Assignment of Proceeds.* If any loss intended to be covered by the Association's insurance occurs and the proceeds payable by the Association's insurance are reduced because of proceeds paid under a Member's insurance coverage, that Member must assign such insurance proceeds to the Association, to the extent of the reduction. The Board must apply those proceeds to the same purposes as the reduced proceeds received by the Association.

15.3 Responsibility for Deductible and Uncovered Losses.

- a. *Intentional or Negligent Acts.* If any property is damaged as a result of the intentional or negligent acts or omissions of any Member, Member's Tenant, or their respective family, guests, invitees, vendors, or pets, is tendered to the Association's property damage policy, the Member and any other legally responsible parties are solely liable for any portion of such claim not paid due to a deductible.
- b. *Non-Negligent, Unintentional Acts.* If any property damage loss, which resulted from a failure of any component, element, or portion of the Development and did not result from a negligent or intentional act or omission, is tendered to the Association's property damage policy in distributing the Association's insurance proceeds to the various claimants, the Association will apportion the deductible of such policy or policies amongst all claimants according to the percentage each claim bears against the total of all claims for the loss.
- c. *Uncovered Losses.* Apart from deductibles as set forth above, responsibility for any losses for which the Association's property damage policy does not provide coverage will be determined according to the maintenance, repair and replacement provisions outlined in these CC&Rs and the law.

15.4 Liability for Increased Insurance Rates. If any negligent act or omission of any Member, Member's Tenant, or their respective family, guests, invitees, vendors, or pets causes

an increase in the cost of the Association's insurance, the amount of the increase must be assessed against the Member and his/her Unit as a Reimbursement Special Assessment.

15.5 Choice of Contractor. For any repairs for which insurance proceeds are paid or are payable to the Association, the Board must designate the contractor to perform the repairs to the Common Areas. Individual Members are responsible for overseeing repairs done to their respective Units.

15.6 Insurance Company Rating. All insurance policies required by this Article must be issued by either a California admitted insurance company or an approved carrier on the California List of Approved Surplus Line Insurers (LASLI). Each carrier must hold an A.M. Best Insurance or Standard and Poor's rating of "A" or better.

ARTICLE 16: PROTECTION OF LENDERS

16.1 Furnishing of Information. Each Lender is, upon written request, entitled to inspect the books and records of the Association during normal business hours and receive written notice of Board and membership meetings and designate a representative to attend such meetings.

16.2 No Priority Over Rights of First Mortgagees. Nothing in these CC&Rs gives a Member or any other party priority over any rights of first mortgagees of Units, according to their mortgages, in the case of a distribution to Members of insurance proceeds or condemnation awards for losses to or taking of Units or the Common Area. Additionally, if any Unit or any portion of a Unit is made the subject matter of any condemnation or eminent domain proceeding, no provision herein entitles the Member, or any other party, to priority over a first mortgagee of a Unit, concerning any distribution of the proceeds of any award or settlement.

16.3 Relationship with Assessment Liens. Any lien that the Association may have on any Unit for the payment of Assessments subordinates to the lien or equivalent security interest of any Lender with a first trust deed or mortgage on the Unit, made in good faith and for value, and no such lien impairs the obligation or the priority of such trust deed or mortgage, unless the Lender expressly subordinates its interest, in writing, to such lien.

16.4 Foreclosure. Any holder of a first mortgage who takes title to a Unit, according to the remedies provided in the mortgage, through foreclosure of the mortgage takes the property free of any claim for unpaid Assessments or charges against the mortgaged Unit which accrued before the time such Person takes title to the Unit.

16.5 Priority of Mortgage Lien. No breach of any provision of these CC&Rs nor the enforcement of any lien created herein affects, impairs, defeats, or invalidates the lien of any mortgage or deed of trust made in good faith and for value, but these CC&Rs are binding upon any Member whose title is derived through foreclosure, trustee sale, or otherwise.

16.6 Payment of Taxes and Charges. Lenders may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against any portion of the Common Area and may pay overdue premiums on hazard insurance policies or secure new hazard insurance coverage on the lapse of a policy for such Common Area. Lenders making such payments shall be owed immediate reimbursement from the Association.

ARTICLE 17: LIMITATIONS OF LIABILITY

17.1 Standard for Liability. Officers, Directors, Committee members, employees, or agents are not responsible to the Association, or any Member, Member's Tenant, or their respective family, guests, or invitees for any loss or damage to the Association, or any Person or property suffered because of water, fire, smoke, explosion, electricity, dust, sand, insect or rodent infestation, or any other source unless there is clear and convincing evidence the damage or loss was caused by the willful, intentional or bad faith misconduct of the Association's Officers, Directors, Committee members, employees, or agents, based upon the information such individual possessed at the time of the purported act or omission. The Association's Officers, Directors, Committee members, employees and agents cannot be held strictly liable for their acts or omissions.

17.2 Limited Personal Liability. No Officer, Director, Committee member, or employee of the Association is personally liable for any loss, injury, or damage to Persons or property for any act or omission, if the act or omission was performed in good faith, within the scope of the Person's duties for the Association, was not self-dealing, and did not constitute willful or intentional misconduct.

17.3 Association Not a Security Provider. The Association is authorized to provide security measures in the Development. However, the Association is not a security provider and has no duty to provide any security in the Development. The obligation to provide security lies with each Member individually. The Association cannot be held liable for any harm, loss or damage to Persons or property because of failure to provide adequate security or ineffectiveness of security measures undertaken. This includes, but is not limited to, any harm, loss or damage from theft of or damage to any article or thing placed in or on any portion of the Common Area.

17.4 Duty to Defend. The Association must indemnify and defend and must advance reasonable attorneys' fees and costs to its Officers, Directors, Committee members, and employees for all expenses and liabilities reasonably incurred by such Person(s) regarding any proceeding (including, but not limited to, alternative dispute resolution proceedings) to which they are a party because of having been an Officer, Director, Committee member, or employee of the Association. However, the Association may seek recovery of its attorneys' fees and costs from and is not liable for any judgments or other liabilities for the acts or omissions of any Persons adjudged to have acted in bad faith or gross negligence in the performance of their duties, to the extent permitted by law.

17.5 Duty to Protect. The Association must protect its Officers, Directors, Committee members, and employees from unlawful harassment in the workplace as such phrase is defined in the law. However, the Association has no duty to prosecute or fund the prosecution of any claim or cause of action which an Officer, Director, Committee member, or employees of the Association asserts against another Officer, Director, Committee member or employee of the Association, or against a Member, which is (1) not based on the conduct of the accused performed in the course and scope of his or her duties (2) founded on personal issues or disputes between the parties, (3) for personal injuries or emotional distress, or (4) for defamation.

17.6 Personal Injury or Property Damage Sustained Within a Unit. This Section applies if any Person sustains a personal injury or property damage within a Unit or on its attached Balcony, Patio or Heater Area and the injury or damage results in a claim against the Association or any of its Officers, Directors, Committee members, Members, agents, or employees. The Owner of the Unit, Patio, Balcony or Heater Area where the injury or damage occurred must: (i) fully indemnify and hold harmless the Association, Officer, Director, Committee member, Member, agent, or employee against whom such claim or suit is brought; and (ii) defend, at his/her own cost and expense, any resulting litigation against the Association, Officer, Director, Committee member, Member, agent, or employee. However, there is no obligation to hold harmless, defend or indemnify any party whose gross negligence or willful misconduct was the cause of the injury or damage.

17.7 Actions Against Directors. Members are not permitted to and waive all rights to file an action or state any cause of action in any pleading against a Director or Officer of the Association, acting within the scope of that person's duties as a Director or Officer unless the court first determines that the Member seeking to file the pleading has established evidence that substantiates the claim.

ARTICLE 18: DAMAGE/DESTRUCTION TO IMPROVEMENTS

18.1 Common Area Damage. All provisions of this Article 18 apply only when the Common Area has been partially or totally destroyed by fire, earthquake, groundwater flooding or other similar casualties. The provisions do not apply to (1) any damage resulting from any plumbing failure originating in a single Unit or (2) any damage resulting from any casualty or occurrence that affected only a single Unit. The provisions of this Article are also subject to any prohibitions against partitioning the Common Area that might apply.

- a. *Cost of Reconstruction*. As soon as practical, the Association shall rebuild the damaged or destroyed portions of the Common Area to substantially the same condition as they existed before such damage.
- b. *Automatic Reconstruction*. If the cost to reconstruct the Common Areas, minus the value of any insurance proceeds due to the Association, is less than or equal to three times the amount of the total annual operating Budget of the Association for the current fiscal year, the Board, without a vote of the

membership, shall cause the Common Area to be reconstructed to substantially the same condition as existed before such damage (subject to any increased building standards then in effect). Such reconstruction must be completed as promptly as practical. Notwithstanding any other provision, the Board is authorized, without a vote of the membership, to levy an Emergency Special Assessment against the membership to provide the funds necessary for such reconstruction or repayment of any monies borrowed by the Association for such reconstruction.

- c. *Membership Approval.* If the Board determines that the cost to reconstruct the Common Areas, excluding the deductible and the value of any insurance proceeds due to the Association, is an amount greater than three times the total annual operating Budget of the Association for the current fiscal year, then the Common Areas must be reconstructed unless sixty-seven percent (67%) of the membership, by ballot or at a special meeting called for such purpose, vote not to reconstruct the damaged or destroyed Common Areas.
- d. *Decision Not to Rebuild.* If the membership votes not to rebuild the Common Areas, the Association or any Member is authorized to file a partition action under Civil Code §4610 seeking to sell the entire condominium project.
- e. *Distribution of Insurance Proceeds.*
 - i. *No Partition Action Promptly Filed.* If a partition action is not filed within six (6) months of the partial or total destruction, the Board must distribute the insurance proceeds available for reconstruction, together with any other sums otherwise available to the Association for such purpose, to the Owners, less costs for clearing the debris, collecting insurance proceeds, and any other expenses necessarily incurred as a result of the damage or destruction, proportionately according to an appraised fair market value of the Condominiums (as of a date immediately before destruction or condemnation). Such payment is subject to rights of Mortgagees holding Mortgages encumbering Units and all unpaid Assessments, together with any interest charges. The Association must pay appraisers hired by the Board to appraise the Condominiums.
 - ii. *Partition Action Promptly Filed.* If a partition action is filed within six (6) months of the partial or total destruction, the Association must interplead the insurance proceeds available for reconstruction, together with any other sums otherwise available to the Association for such purpose, to the Owners, less costs for clearing the debris, collecting insurance proceeds, and any other expenses necessarily incurred as a result of the damage or destruction into the partition action.

18.2 Duties of Board During Reconstruction. If reconstruction is undertaken, the Board must: (i) enter into a written contract with a contractor who is licensed and insured for such repair, reconstruction, and restoration; (ii) disburse insurance proceeds available for the work, along with funds collected because of Assessments, in appropriate progress payments; and (iii) take all steps necessary to ensure the commencement and completion of such repair, reconstruction, and restoration in a lawful, workmanlike manner at the earliest possible date.

18.3 Right of Entry to Assess Damage and Make Repairs. Representatives of the Association, contractors, engineers, workmen, or any other Persons designated by the Board have the right and authority to enter any Unit, Common Area, or Exclusive Use Common Area after such casualty to determine the extent of damage and to make repairs, as provided for under the “Right of Entry” provisions contained in these CC&Rs.

18.4 Power to Vacate Unit. If necessary, the Board has the authority to vacate a Unit to make repairs, as provided for under the “Right of Entry” provisions contained in these CC&Rs.

18.5 Labor and Materials. In determining whether the plans for a reconstructed Building are in substantial conformance with the Condominium Plan, the Board must consider the availability and expense of the labor and materials in the original construction of the Building. If such labor or material is not available or is prohibitively expensive at the time of reconstruction, the Board may substitute other labor or materials as it deems proper.

18.6 Interior Unit Damage. Restoration and repair of any damage caused by fire, earthquake, or other casualties to (i) the interior of any individual Unit; (ii) personal property, furniture, furnishings, and decorations contained within a Unit; or (iii) any Improvements which were added to the Unit by any present or prior Unit Resident or Member not covered by the Association’s insurance must be made by and at the individual expense of the current Unit Owner. The repairs, restoration and reconstruction, must be completed as promptly as practicable and in a lawful and workmanlike manner. If the work is of a nature that would normally require approval by the Association, the Member must seek such approval, as provided for in these CC&Rs.

18.7 Special Assessment for Reconstruction. If the proceeds of insurance obtained by the Association are paid to any Mortgagee of a Unit and, because of such payment, the insurance proceeds are not made available to the Association as trustee, or otherwise, to effect any repair, reconstruction, or restoration of any damage or destruction to all or any portion of the Development as provided in these CC&Rs, the amount of such proceeds not made available must be assessed and charged to and against the Member or Members and his/her Unit as an Emergency Special Assessment. The Emergency Special Assessment must be made by written notification from the Board to the Member or Members against whom made.

18.8 Encroachment. If a Building is partially or totally destroyed and then rebuilt, Members agree that minor encroachments of the Common Area on Units or of Units on the Common Area or other Units are permitted, and that valid easements for the encroachments

exist. Such encroachments are not considered to be encumbrances either on the Units or the Common Area.

ARTICLE 19: CONDEMNATION

19.1 Notice. Promptly upon learning of any potential condemnation or sale by eminent domain, the Board must notify all Members and First Mortgagees who have filed a written request for notice.

19.2 Payment for Common Area. When an action in eminent domain is brought to condemn all or any portion of the Common Areas, the Association must represent the Members in all proceedings, negotiations, or settlements. Awards for the acquisition of Common Area must be paid to the Board, as trustee, for deposit into the Association's Reserves unless a majority of the total voting power of the Association elects to distribute the award among the Members per their Percentage Interest.

19.3 Payment for Unit. When an action in eminent domain is brought to condemn all or any portion of one or more Units, the award made for such taking must be payable to the respective Owners of the Units, subject to (i) the rights of Mortgagees holding Mortgages covering such Units; and (ii) all unpaid Assessments of each Member, taken together with interest and other pending charges. The Board of Directors has no responsibility for restoring a Member's personal or real property taken as a result of condemnation.

19.4 Revision of Documents. When any part of the Development is condemned, the Board must, as soon as practical, prepare, file, or record a revised subdivision map, Condominium Plan, or other documents, reports, schedules, or exhibits necessary to show the changed or altered status of the Development.

19.5 Status of Membership. If a Unit is taken in condemnation, the Unit ceases to be part of the Development, the Member ceases to be a Member of the Association, and the Percentage Interest in Common Area appurtenant to that Unit automatically become vested in the remaining Members, in proportion to their respective Percentage Interests in the Common Area.

ARTICLE 20: MISCELLANEOUS

20.1 Notice of Airport in Vicinity. This property is presently located in the vicinity of an airport, within what is known as an airport influence area. For that reason, the property may be subject to some of the annoyances or inconveniences associated with proximity to airport operations (for example: noise, vibration, or odors). Individual sensitivities to those annoyances can vary from person to person. You may wish to consider what airport annoyances, if any, are

associated with the property before you complete your purchase and determine whether they are acceptable to you.

20.2 Notice of Railroad in Vicinity. This property is presently located adjacent to a railroad. For that reason, the property may be subject to some of the annoyances or inconveniences associated with proximity to airport operations (for example: noise, vibration, or odors). Individual sensitivities to those annoyances can vary from person to person. You may wish to consider whether railroad annoyances, if any, are associated with the property before you complete your purchase and determine whether they are acceptable to you.

20.3 Amendment. Amendment or restatement of these CC&Rs is permitted by obtaining the affirmative vote of Members comprising more than fifty percent (50%) of the Voting Power of the Association or as provided for by law, provided that the percentage of the Voting Power necessary to amend a specific provision is not less than the percentage of affirmative votes prescribed for action to be taken under that provision. Any amendment enacted in compliance with this provision becomes effective when recorded with the Offices of all County Recorders where the Development is situated.

20.4 Lender Approval. If a First Mortgagee is entitled, by the terms of these CC&Rs, to consent to, approve, disapprove, or object to a proposed amendment to or restatement of the CC&Rs, but fails to return a ballot or other form providing written disapproval or objection within 30 days of receipt, such First Mortgagee is deemed to have consented to and approved the proposed amendment or restatement, provided the ballot, or other form permitting written disapproval or objection, was delivered by certified or registered mail with return receipt requested and the delivery signed for by a representative of the First Mortgagee.

20.5 Amendment to Conform to Statute. If a provision in these CC&Rs contradicts current law, according to a written opinion of the Association's legal counsel, on the unanimous approval of the Board and without the approval of the Members, the Board is authorized to amend that provision, but only to the extent necessary to render the provision compliant with applicable law. A resolution explaining the need for the change must be adopted by the Board in an open meeting and recorded in the minutes.

20.6 Term of CC&Rs. These CC&Rs continue in full force and effect for a term of sixty (60) years from the date of their recordation ("Renewal Date"), after which time they are automatically extended for successive periods of twenty (20) years. The provisions of this Article are also subject to any prohibitions against partitioning the Common Area that might apply. These CC&Rs may be terminated if, within six (6) months before the Renewal Date of any twenty-year extension period, (i) at least seventy-five percent (75%) of the Members and seventy-five percent (75%) of the First Mortgagees approve by secret ballot circulated by the Association via its Board to terminate these CC&Rs, and (ii) an appropriate governmental agency has agreed in writing to assume the Association's Common Area maintenance, repair, and replacement obligations, and (iii) certification of the membership's and First Mortgagee's

approval to terminate and the agency's agreement to assume maintenance duties are recorded with the Office of County Recorder of Santa Barbara County, and (iv) the Association's contractual and other legal obligations are wound up, and (v) all required corporate filings, tax returns, and notices are filed with appropriate agencies to effectuate dissolution of the Association/corporation, and (vi) insurance tail coverage is purchased to cover any potential liability the Association may have until all applicable statutes of limitations have run their course.

20.7 Attorneys' Fees. In a lawsuit by the Association seeking the enforcement of the Governing Documents against a Member or to determine the rights or duties of the Member under the Governing Documents, the prevailing party may be awarded reasonable attorneys' fees and costs permitted by law.

20.8 Notices. Any communication or notice of any kind permitted or required to be delivered according to the Association's Governing Documents or the Davis-Stirling Act must be in writing. Such delivery must be made as follows:

a. *To the Association:*

- i. *Manner of Delivery.* By electronic delivery (email, facsimile, or other electronic means), by personal delivery (for which a receipt will be provided), or by mail (first class, postage prepaid, registered or certified, express mail, or overnight delivery by an express service center). This provision consents to allow personal delivery and electronic delivery to the Association. However, the Association may withdraw such consent, in writing, as to any Member whose electronic communications or personal visits are abusive or harassing, and limit communications and notices from such Member to mail only.
- ii. *Recipient of Delivery.* The person designated in the Association's annual policy statement to receive documents on behalf of the Association. If no person has been designated to receive documents, the document must be delivered to the President or Secretary of the Association.

b. *To the Members:*

- i. *Manner of Delivery.* For communications and notices subject to the Davis-Stirling Act, the manner required therein includes individual notice or delivery, general notice or delivery, electronic delivery (with consent) or otherwise. For other communications and notices not subject to the Davis-Stirling Act, by electronic delivery (email, facsimile, or other electronic means), by personal delivery, or by mail (first class, postage prepaid, registered or certified, express mail, or overnight delivery by an express service center).

- ii. *Location of Delivery by Mail or Email.* Delivery must be made according To the Member's preferred delivery method, or if no method is selected, as otherwise determined by Civil Code §4041, and as further provided for in Civil Code §4040 (individual delivery) and Civil Code §4045 (general delivery).
- c. *When Notice Deemed Delivered.*
 - i. *By Mail.* If a document is delivered by mail, delivery is deemed complete on deposit into the United States mail.
 - ii. *By Electronic Means.* If a document is delivered by electronic means, delivery is complete at transmission.

20.9 Headings. The headings contained in these CC&Rs are for convenience of reference and are not a part of and are not intended to govern, limit, or aid in constructing any term or provision of these CC&Rs.

20.10 Liberal Construction. The provisions of the Governing Documents must be liberally construed to effectuate their purpose of creating a uniform plan for the use, operation and maintenance of the Development.

20.11 Number and Gender. Regardless of the number and gender specifically used, words used herein shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context requires.

20.12 Severability. The provisions of these CC&Rs and any other Governing Document are deemed independent and severable, and the invalidity, partial invalidity, or unenforceability of any one provision does not affect the validity or enforceability of any other provision.

20.13 No Public Rights. Nothing contained in these CC&Rs is a gift or dedication of all or any portion of the Development to the general public or for any public use or purpose whatsoever.

20.14 Successor Association. If the Association, as a corporate entity, is dissolved, a nonprofit, unincorporated association, without further action, automatically succeeds to all the rights and duties of the corporation. The affairs of the unincorporated association will continue to be governed by these CC&Rs, the Bylaws, Architectural Standards, and the Rules and Regulations, as well as any applicable law.

20.15 Conflicting Provisions. When a conflict exists between these CC&Rs and the Articles or the Bylaws, these CC&Rs control. When a conflict exists between the Articles and the Bylaws, the Articles control. When there is a conflict between the Maintenance

Responsibility Chart and any other portions of the CC&Rs (Articles 1 through 20, inclusive), the other portions of the CC&Rs (Articles 1 through 20, inclusive) control.

DRAFT

CERTIFICATION

WE CERTIFY this ____ day of _____, 20__ that this First Restated Declaration of Covenants, Conditions and Restrictions has been duly approved and adopted by the affirmative vote of fifty-percent (50%) of the voting power of Eucalyptus Grove Homeowners Association.

We further certify that the prior written approval was obtained, or deemed given, by at least fifty-one percent (51%) of the holders of all Senior Secured Lenders for the following provisions of this First Restated Declaration of Covenants, Conditions and Restrictions: Section 2.3, Article 14, Article 16 and Section 20.3.

EUCALYPTUS GROVE HOMEOWNERS ASSOCIATION

President

Secretary

SIGNATURES MUST BE NOTARIZED

REPLACE THIS PAGE WITH NOTARY ACKNOWLEDGEMENT

DRAFT

EXHIBIT A

MAINTENANCE RESPONSIBILITY CHART

This Maintenance Responsibility Chart attached hereto, incorporated by reference and made a part of the CC&Rs to which it is attached. If there is a conflict between this Chart and any provision of the CC&Rs, the CC&Rs shall control.

The following is a listing of the items within the Development for which Members and the Association are responsible for the routine maintenance, repair and replacement duty under the CC&Rs and may not apply to situations where damage is caused by the negligence or willful misconduct of any party.

Unless specifically provided otherwise in the Chart, the items below include the responsibility to maintain, repair, replace and paint (if painting is applicable).

This Chart is provided for convenience as to the general determination of responsibility for the maintenance, repair and replacement of various components of the Development. The physical boundaries of the various components of the Development, such as the Unit, Common Area, and Exclusive Common Area, as defined under the Condominium Plan, are not determinative of the responsibility for routine maintenance, repair and replacement.

In certain situations, the Association's insurance coverage may provide for the repair/replacement of components that are designated as the Members' maintenance responsibility under the CC&Rs, including this Chart. These circumstances shall not be deemed or construed as modifying the routine maintenance, repair and replacement duties set forth herein.

COMPONENT(S) O = Owner, A = Association, N/A = Not Applicable	Maintain Clean/ Attractive Condition	Repair	Replace	Paint
WALLS, CEILINGS AND FLOORS				
Attics, attic space and attic insulation, except any Heater Area	A	A	A	N/A
Ceiling surfaces, including, but not limited to, "popcorn" texturing and remediation of any asbestos-containing materials (ACM) in texturing	O	O	O	O

COMPONENT(S) O = Owner, A = Association, N/A = Not Applicable	Maintain Clean/ Attractive Condition	Repair	Replace	Paint
Floor coverings – interior - carpeting, hardwood, tile, marble, granite, vinyl, etc.	O	O	O	O
Floors - unfinished slab and sub-floors	A	A	A	A
Front entry landings	O	A	A	A
Heater Area	O	O	O	N/A
Non-bearing interior walls/drywall/insulation and partitions such as bedroom and dining room walls	O	O	O	O
Perimeter walls of Unit – exterior surfaces/stucco/siding	A	A	A	A
Perimeter walls of Unit– exterior trim	A	A	A	A
Perimeter walls surrounding the Unit – including bearing walls, studs, frames and other structural items	A	A	A	A
Perimeter wall surfaces and coverings - interior paint, wallpaper, paneling, mirrors, etc.	O	O	O	O
DOORS AND WINDOWS				
Doorbell – bell and interior components	O	O	O	O
Doorbell – button/switch and exterior components	O	O	O	O
Entry door – all components	O	O	O	N/A
Heater Area door	O	O	O	O
Interior doors - bedrooms, closets, bathrooms, etc.	O	O	O	O
Interior doors - frames	O	O	O	O
Patio and Balcony doors, screens, flashing, waterproofing, framing, painting, staining, weather-stripping, tracks, glass, hardware, rollers, mullions (if any)	O	O	O	O

COMPONENT(S) O = Owner, A = Association, N/A = Not Applicable	Maintain Clean/ Attractive Condition	Repair	Replace	Paint
Screen door and frame	O	O	O	O
Skylights – flashing, waterproofing, framing, glass, plastic	O	O	O	O
Windows-all glass and components, except non-glass exterior surfaces.	O	O	O	O
ELECTRICAL AND ELECTRICAL FIXTURES				
Electrical panel and circuit breakers located inside Unit	O	O	O	N/A
Electrical wiring serving a single Unit, wherever located	O	O	O	N/A
Electrical wiring serving Common Area facilities, such as lighting	A	A	A	N/A
Electrical wiring serving multiple Units, wherever located	A	A	A	N/A
Light fixtures in the Common Area	A	A	A	A
Light fixtures inside Unit	O	O	O	O
Light switches, electrical outlets and wall plates– interior and exterior serving a single Unit.	O	O	O	O
Telephone lines, cable television, computer lines, DSL cables, exclusively serving a single Unit	O	O	O	N/A
PLUMBING AND PLUMBING FIXTURES				
Dishwasher hoses and drains, and water and ice maker lines running to refrigerators and freezers	O	O	O	N/A

COMPONENT(S) O = Owner, A = Association, N/A = Not Applicable	Maintain Clean/ Attractive Condition	Repair	Replace	Paint
Drains, sewer lines, and water supply lines (hot or cold) serving a single Unit, wherever located, including preventing and repairing clogs in such drains and lines	O	O	O	N/A
Drains, sewer lines, and water supply lines (hot or cold) serving multiple Units, wherever located, including preventing and repairing clogs in such drains and lines	A	A	A	N/A
Drains, sewer lines, and water supply lines (hot or cold) serving Common Area facilities, including preventing and repairing clogs in such drains and lines	A	A	A	N/A
Plumbing fixtures and components serving a single Unit, including, without limitation, sinks, faucets, garbage disposals, bathtubs, showers, shower valves, shower pans, overflow and drain assemblies, toilets, toilet tank components, toilet flanges, toilet wax rings, and angle stops, wherever located, including preventing and repairing leaks and clogs involving such fixtures and components	O	O	O	N/A
Water heaters serving a single Unit	O	O	O	N/A
Water shut-off valve serving a single Unit	O	O	O	N/A
Water shut-off valve serving multiple Units	A	A	A	N/A
Water Softeners serving a single Unit	O	O	O	N/A
NATURAL GAS AND NATURAL GAS FIXTURES				
Natural gas lines and valves located inside a Unit and connected to appliances, including, but not limited to, gas stoves, gas ovens, gas dryers and water heaters	O	O	O	N/A
Natural gas lines and valves connected to fireplaces	O	O	O	N/A

COMPONENT(S) O = Owner, A = Association, N/A = Not Applicable	Maintain Clean/ Attractive Condition	Repair	Replace	Paint
Natural gas lines and valves connected to forced air heating units	O	O	O	N/A
Natural gas lines serving a single Unit, wherever located, including preventing leaking from such lines	O	O	O	N/A
Natural gas lines serving multiple Units located, including preventing leaking from such lines	A	A	A	N/A
Natural gas lines serving Common Area facilities, including preventing leaking from such lines	A	A	A	N/A
OTHER COMPONENTS AND APPLIANCES				
Antennas and Satellite Dishes	O	O	O	N/A
Heating ducts	O	O	O	N/A
Environmental and temperature control systems, including, without limitation, heat exchangers, drip pans, valves, thermostats, compressors, condensers, condenser lines, control equipment, radiant heating systems, electric heaters, ceiling, fans, forced air units and exhaust fans serving a single Unit, including all related sealing, waterproofing, and preventing and repairing leaking from and moisture accumulation on such components	O	O	O	N/A
Fireplace chimney cap and exterior structure (i.e., stucco, bricks)	A	A	A	A
Fireplace mantel, firebox, flue, chimney and all interior surfaces	O	O	O	O
Grout or caulk around sinks, faucets, countertops, showers	O	O	O	O

COMPONENT(S) O = Owner, A = Association, N/A = Not Applicable	Maintain Clean/ Attractive Condition	Repair	Replace	Paint
Kitchen appliances (dishwashers, refrigerators, microwave ovens, stoves, ovens, range hoods and fan, etc.)	O	O	O	N/A
Storage areas serving a single Unit	O	O	O	O
Washer/dryer, laundry enclosures and other areas accessible from a Patio or Balcony and door	O	O	O	O
Vanities, cabinets and countertops	O	O	O	O
EXTERIOR OBLIGATIONS				
Building exteriors	A	A	A	A
Carports	A	A	A	A
Drainage systems - exterior	A	A	A	A
Entry gates to Development	A	A	A	A
Fences and walls – perimeter	A	A	A	A
Fences – Common Area	A	A	A	A
Gutters and downspouts	A	A	A	A
Hose bibs – Common Area	A	A	A	A
Landscaping and irrigation system – Common Area	A	A	A	A
Landscaping and vegetation – Patios	O	O	O	N/A
Mailboxes – Common Area	A	A	A	A
Patio and Balcony drains	A	A	A	N/A
Patio and Balcony exterior surfaces and structural components	A	A	A	A

COMPONENT(S) O = Owner, A = Association, N/A = Not Applicable	Maintain Clean/ Attractive Condition	Repair	Replace	Paint
Patio and Balcony light fixtures	O	O	O	O
Patio and Balcony railings	O	A	A	A
Patio slabs	O	A	A	N/A
Patio and Balcony surfaces	O	O	O	A
Patio and Balcony waterproofing	O	O	O	N/A
Parking Spaces – concrete, asphalt surfaces	A	A	A	A
Railings - exterior	A	A	A	A
Recreational facilities including the swimming pool, spa, pool house, exercise room, sauna	A	A	A	A
Roof – all components	A	A	A	A
Sidewalks – Common Area	A	A	A	A
MISCELLANEOUS OBLIGATIONS				
Improvements or alterations to a Unit or Exclusive Use Common Area made by anyone other than the Association	O	O	O	O
Spraying/eradication of pests in Common Area interior or exterior	A	N/A	N/A	N/A
Spraying/eradication of pests in the Unit interior (e.g., ants, bees, bedbugs, fleas, roaches, rodents, etc.)	O	N/A	N/A	N/A
Termite damage to Common Areas	A	A	A	A

COMPONENT(S) O = Owner, A = Association, N/A = Not Applicable	Maintain Clean/ Attractive Condition	Repair	Replace	Paint
Termite damage to Unit	O	O	O	O
Termite fumigation by tenting (both Common Area and Units)	A	N/A	N/A	N/A
Termite treatment in Common Areas	A	N/A	N/A	N/A
Termite treatment inside Units (except fumigation by tenting)	O	N/A	N/A	N/A
Utility Lines (as defined in CC&Rs) serving a single Unit	O	O	O	N/A
Utility Lines (as defined in CC&Rs) serving multiple Units	A	A	A	N/A